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# Latin America Report

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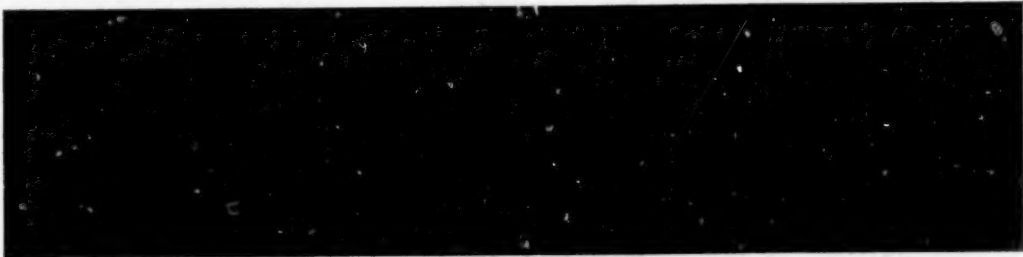
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## LATIN AMERICA REPORT

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## CONTENTS

## COUNTRY SECTION

## INTER-AMERICAN AFFAIRS

'UNO MAS UNO' Reports Haitian Oil Scandal (EFE, 14 Sep 81) .....	1
Argentine Army Commander's Visit to Brazil (TELAM, 17 Sep 81, Sao Paulo Radio Bandeirantes, 21 Sep 81)	3
Preparations for Visit Commander's Arrival	
Briefs	
Grenadian Prime Minister Visits	4

## ARGENTINA

Purpose of Walters Visit Analyzed (Mario Carrizo; TELAM, 5 Sep 81) .....	5
Camilion's Recent Visits Reveal Changes in Policy (AFP, 12 Sep 81) .....	6
Communist Party Leader Interviewed by Hungarian Paper (MTI, 16 Sep 81) .....	8
Newspaper Owners Ask Government To Lift State of Siege (HERALD, 19 Sep 81) .....	10
'Hitler Youth' Rumored in Cordoba (HERALD, 17, 19 Sep 81) .....	12
'Hitler Youth' Group Described Existence Denied	

Briefs	
Political Parties Statute	14
Former Peronist Minister	14
Oil Workers Discharged	14
Food to Malvinas	14
Ongania Released	15

## BRAZIL

Mozambique Minister's Visit Considered 'Positive'	
(O ESTADO DE SAO PAULO, 17 Sep 81) .....	16

Briefs	
Fourth Army Division Commander	17

## CHILE

Status of Communist Party Activities Discussed	
(Elena Vial; QUE PASA, 27 Aug-2 Sep 81) .....	18

Technical Assistance From Japan Begins	
(Dania Guelfand; EL MERCURIO, 8 Jul 81) .....	24

Mineral Deposits in Region XI To Be Exploited	
(LA NACION, 8 Jul 81) .....	26

Briefs	
Foreign Minister Leaves for UN Session	28
Terrorists Submitted to Military Court	28
Arms Sales	28
Foreign Capital Inflow	28
Trade Deficit	28
Ambassador to Brazil	28
PRC Cultural Agreement	28

## COLOMBIA

Foreign Credits To Cover Budget Deficit	
(EL SIGLO, 26 Jun 81) .....	30

Sponge Iron Plant Planned for Atlantic Coast	
(EL ESPECTADOR, 23 Jun 81) .....	31

Economic Expansion Declines in 1979-80	
(Lafitte Fernandez R.; LA NACION, 20 Aug 81) .....	33

Rural Organization Is Base for Agrarian Reform	
(LA NACION, 17 Aug 81) .....	36



## EL SALVADOR

Journalist Charges 100 Killed in Butcher Shop (AFP, 15 Sep 81) .....	38
Judge's Ruling on Sol Meza Release Published (EL DIARIO DE HOY, 3 Sep 81) .....	39

## NICARAGUA

Eden Pastora's Friends, Relatives Arrested (ACAN, 9 Sep 81) .....	43
CST's Jimenez Urges Battle Against Decapitalization (BARRICADA, 2 Jul 81) .....	45
Briefs Habeas Corpus Filed .....	47

## PANAMA

Salvadoran Problem Seen Affecting Entire Area (Adolfo Benedetti; MATUTINO, 5 Sep 81) .....	48
Duarte Says Salvadoran Situation 'Improving' (Jose Napoleon Duarte Interview; CIRCUITO RPC TELEVISION, 17 Sep 81).....	49
Timing of Walters Visit Termed 'Inopportune' (Gloria Guardia; LA PRENSA, 15 Sep 81) ... ..	51
U.S. District Attorney Accused of Violating Sovereignty (Emerson Moreno; LA PRENSA, 15 Sep 81) .....	53
Royo To Cite Treaty Violations in UN Speech (Editorial; LA REPUBLICA, 20 Sep 81) .....	54
United States Urged To Repeal 'So-Called' Murphy Law (Editorial; LA ESTRELLA DE PANAMA, 20 Sep 81) .....	56
Government Chided for Complacency to Criticism (Luis Restrepo Rosas; MATUTINO, 10 Sep 81) .....	57
PRD Reorganization To End in December (Gerardo Gonzalez Interview; Panama City Televisora Nacional, 10 Sep 81) .....	58
PRD Schism Accentuated After Torrijos' Death (Emerson Moreno; LA PRENSA, 13 Sep 81) .....	59
PRD Urges Members to Unity, Militancy (CRITICA, 31 Aug 81) .....	60

FEP Leader on Status of Prisoners in Colombia (Jose Quintero de Leon; LA PRENSA, 15 Sep 81) .....	62
Workers Seize Supreme Court Building on Wage Issue (TELEVISORA NACIONAL, 16 Sep 81) .....	64
Paredes Discusses Cerro Colorado Issue (Panama City TELEVISORA NACIONAL, 10 Sep 81, LA REPUBLICA, 13 Sep 81) .....	65
Interview With Paredes, Ruben Dario Paredes Interview Discussion With Indians, by Ruben Dario Paredes	
Banana Labor Union Reveals Antigovernment Plot (CRITICA, 31 Aug 81) .....	69
Briefs	
Student Violence Causes	70
Attorney General Innocent	70

## 'UNO MAS UNO' REPORTS HAITIAN OIL SCANDAL

PA150403 Madrid EFE in Spanish 1935 GMT 14 Sep 81

[Text] Mexico City, 14 Sep (EFE)--The leftist newspaper UNO MAS UNO reported here today that a group of Haitian businessmen diverted an unknown amount of Mexican crude and sent it to South Africa.

In a dispatch datelined in Port-au-Prince, the newspaper stressed that in the wake of a charge made by Alexandre Lerouge, a Haitian deputy, "the rumors concerning the largest diversion of crude in recent times have become what has been known here (Haiti) as 'the Mexican petroleum scandal'."

It added that Ernest Bennet, father-in-law of Jean Claude Duvalier, Haitian president-for-life, heads this group of businessmen.

According to UNO MAS UNO, the group "diverted and sold to South Africa all the oil allocation that Haiti receives from Mexico at preferential prices even before it reached Haitian territory."

"The rumors about the Mexican oil began to circulate in early June," it added.

The newspaper noted that the Haitian Government and its officials who were interviewed by its correspondent, "claim that they do not know anything about the matter. They accused the international press of lying and of wanting to mar Haiti's image..."

UNO MAS UNO noted that a "known oligarch" informed it that "the kind of oil we get from Mexico is not of much use to us, so why not think of exchanging it for other things we do not have or even why not resell it and somehow alliviate the most serious economic crisis in our history with that money?"

In citing Leopold L. Joseph, a Haitian exile in New York, the paper stated that the Interpol "was beginning its investigations in view of the inability of the Haitian authorities to offer a satisfactory explanation for the disappearance of the oil shipment."

Joseph told UNO MAS UNO that "we know that the Mexican Government must know about this scandal, has asked the Haitian regime for an explanation and has made demands regarding this matter."

"What we do not understand," he said, "is why Mexico has not adopted a harsh decision in this regard. For example, why hasn't it definitely suspended the shipments of crude to Haiti?"

The delivery of Mexican crude to Haiti consists of approximately 3,500 barrels per day which, accompanied by a similar quantity of Venezuelan oil, make up the assistance that these two main Latin American oil producers give to Central America and the Caribbean.

CSO: 3010/1841

## ARGENTINE ARMY COMMANDER'S VISIT TO BRAZIL

## Preparations for Visit

PY172210 Buenos Aires TELAM in Spanish 1310 GMT 17 Sep 81

[Text] Brasilia, 17 Sep (TELAM)--The Brazilian Army Ministry reported today that the head of the ministry, Gen Walter Pires, has assigned Gen Rondon de Oliveira Guimaraes to accompany the commander in chief of the Argentine army, Lt Gen Leopoldo Fortunato Galtieri, who will arrive in this capital next Sunday night. The army minister also put at the disposal of the member of the military junta governing Argentina a group of officers formed by Lt Col Jose Roberto Eichler, Maj Decio da Silva Gonzalves, Maj Marco Antonio Savio Costa, Maj Roberto Amorim Gonzalves and Capt Flavio de Cunha Vianna.

The high Argentine military commander will stay for 1 week in Brazil on an invitation by Gen Walter Pires who recently visited Argentina. In addition to a special audience and a luncheon given for him by President Joao Figueiredo, General Galtieri's official schedule includes visits to the cities of Salvador (capital of Bahia state), Sao Paulo, Sao Jose dos Campos (Sao Paulo industrial center) and Rio de Janeiro.

## Commander's Arrival

PY212015 Sao Paulo Radio Bandeirantes in Portuguese 1600 GMT 21 Sep 81

[Text] Gen Leopoldo Galtieri, commander in chief of the Argentine army and member of the junta of commanders, is visiting Brazil.

Galtieri stated that he believes that stronger relations and understanding between the Argentine and Brazilian armies will contribute to consolidate a tradition established by men such as the Duke of Caxias, Tiradentes, San Martin and Belgrano.

General Galtieri, who is a member of the military junta which rules in Argentina, added that we are determined to find in ( the attitude) of friendship and understanding strong reasons for the common reassertion of our peoples' principles and values, which are their freedom and dignity.

CSO: 3001/249

COUNTRY SECTION

INTER-AMERICAN AFFAIRS

BRIEFS

GRENADIAN PRIME MINISTER VISITS--Mexico City, 17 Sep (AFP)--Grenadian Prime Minister Maurice Bishop will pay an official visit to Mexico from 23 to 26 September, the Mexican foreign affairs secretariat reported today. Bishop's visit is in reply to an invitation extended by President Jose Lopez Portillo to the Grenadian prime minister to discuss matters of bilateral and multilateral interest, said the foreign affairs secretariat. [Text] [PA180407 Paris AFP in Spanish 0053 GMT 18 Sep 81]

CSO: 3010/1841



## PURPOSE OF WALTERS VISIT ANALYZED

PY080036 Buenos Aires TELAM in Spanish 1215 GMT 5 Sep 81

[Report by Mario Carrizo]

[Excerpts] Buenos Aires, 5 Sep (TELAM)--Information on the mission carried out, in great secrecy, by Gen Vernon Walters confirms the increasing strength of Argentine-U.S. bilateral relations.

Argentina has clearly aligned with the nations which have rejected the interference of the Mexican and French regimes in the Salvadoran domestic affairs. This has been a fully legitimate decision, since the Mexican and French interference presupposes support to one of the extremist groups against which the civilian-military junta of that nation--which intends to restore democracy--has to fight.

Argentina has done right in aligning itself with what today in El Salvador represents the most moderate expression of a society shaken by violence and hate because, as Foreign Minister Oscar Camilion pointed out during his recent visit to Washington, Argentina is marching toward the restoration of its institutional life.

The U.S. Government has clearly understood and respects the Argentine position because, in view of the current events, it now realizes the reasons which drove the Argentines to fight a war without mercy against terrorist subversion for which the only possible objective is to conquer the nation's leadership and eradicate all democratic political expression.

Venezuela and Colombia, which in the Nicaraguan civil war supported the forces which struggled against Somoza at the risk of establishing Marxist extremism in that country, have adopted a different attitude in the Salvadoran problem, in the first place because the option is not between a family dictatorship and the rest of the community, but between a moderate civilian-military sector and the antagonistic extremes. In the second place it is because they are aware of the danger which the possibility of El Salvador falling into the hands of ultra-leftist guerrillas represents for the stability of the democratic regimes of the Caribbean. If this purpose should be achieved, Honduras and Guatemala followed immediately after by Costa Rica and Panama would be the next objectives of subversion. In the north Marxism would be near the Mexican border and in the south near the Colombian and Venezuelan borders.

The White House feels supported by the Andean countries and the nations of the southern cone whose implicit spokesman, in view of the development of events, is Argentina. The most important thing is, as various analysts have pointed out, that it is a spontaneous reaction of the nations of the region and not an imposition of northern big brother.

## CAMILION'S RECENT VISITS REVEAL CHANGES IN POLICY

PY152036 Paris AFP in Spanish 1140 GMT 12 Sep 81

[Text] Buenos Aires, 12 Sep (AFP)--The successive personal contacts which Foreign Minister Oscar Camilion held in Washington and the Vatican during the first 10 days of September revealed the Argentine Government's desire to approach its most prickly foreign problems from a different angle.

On Wednesday Camilion was received, in a personal audience, by Pope John Paul II to analyze the current state of the Vatican's mediation in the Argentine-Chilean conflict over the Beagle Channel and to meet the local foreign ministry's desire to take the initiative in the matter which up to now has been in Chilean hands.

Camilion's trip and meeting with the Pope open a new path in the mediation process which had reached an undeniable state of stagnation. Camilion himself asserted that the mediation is now experiencing a different stage due to the fact that there is a new trend in the talks and, therefore, it requires new data.

According to observers, the minister's trip seems to reveal that the military government has altered its procedures.

Although the responsibility for making decisions is still the exclusive prerogative of the Argentine military committee--comprised of the president and the junta of commanders--the task has been entrusted to the normal diplomatic channels, doing away with the special resources which for several years the periodic trips to Rome by the secretaries general of the army, navy and air force represented.

The observers have pointed out that if the foreign minister's trip can be interpreted as the first step in a possible change in the mediation process, then the Vatican's decision to open the doors of the secretary of state for an overall examination of the mediation process should also be considered as a new subject of analysis.

The silent steps which the Argentine Foreign Ministry slowly took to obtain an interview with the Pope yielded their results when Camilion was in Washington, and his return to Buenos Aires barely gave him [time] to repack his bags and leave for Rome 48 hours later.

Later on it was learned here, through reliable sources that in Washington Camilion listened to Secretary of State Alexander Haig and Vice President George Bush's similar comments regarding Argentina.

The U.S. authorities' main concerns dealt with the following subjects: the United States desires the consolidation of the democratic process which the military have promised and any attempt to interrupt it would not be well looked upon.

The White House also pointed out that it does not desire any conflicts in the southern cone, a direct reference to the Chilean-Argentine border conflict, which at the end of 1978 led the two countries to the brink of war.

The last warning Camilion heard referred to El Salvador conflict.

Haig told him that neither of the two parties can win the war, therefore, it is necessary to maintain the status quo until elections in 1982.

At this point Camilion reiterated his government's position: Whatever the situation in El Salvador may be, Argentina will cooperate with the United States with foodstuffs and financial aid but not with military aid.

CSO: 3010/1857

## COMMUNIST PARTY LEADER INTERVIEWED BY HUNGARIAN PAPER

LD161854 Budapest MTI in English 1705 GMT 16 Sep 81

[Text] Budapest, 16 Sep (MTI)--The Argentine Government, sometimes extremely reactionary in its home policy, gives proof of flexibility by one or another foreign political decision. The reasons for the above, the impact the military administration's economic policy produces on the country's political life, and characteristics of the Argentine armed forces were among the subjects which Athos Fava, secretary-general of the Argentine Communist Party, discussed in his statement to NEPSZABADSAG. (Athos Fava visited Hungary at the head of a delegation from September 2 to 10 at the invitation of the Hungarian Socialist Workers' Party Central Committee.) The interview was published on Wednesday.

Athos Fava reminded that the junta's policy had long been confined to attempts of reckoning with ultra-leftist movements. "These groups used the method of individual terror and armed provocations against the junta, with which we, communists, could not agree, of course. Though the government knew that well, it felt not in the least disturbed to strike a blow on the workers' movement and democratic organizations too. Thousands of trade union activists were dismissed from the companies. A lot of worker leaders were imprisoned, and hundreds were reported to have disappeared 'with no trace behind.' The cruel oppression, however, could not break the action unity of the political and social movements of Argentina, but deadlocked instead the junta itself.

"The failure of fascism to win in Argentina as it did in Chile is also to be thanked to the presence of conflicting currents in the army," said Athos Fava. "There are in fact two major trends: the liberal wing and what we call Pinochetists. They carry on a desperate fight for the full possession of power allowing to shape the country's political profile. We, communists, along with other democratic political forces of the country, side with the liberal wing of soldiers in the face of the Pinochetists. The junta's choice of the liberal-wing General Viola for president in March is no small a result in our view. Viola did move at once to realize his programme which naturally serves bourgeois interests but is still beneficial to the country."

"Our country finds itself face to face with the United States on international markets, and often loses in those duels. The junta--though within small limits--tries to establish its own trade policy, which sometimes emphasizes the interest

of Argentine economic units against that of Washington. It will be fatal mistake to renounce such an important market as the Soviet Union. Moreover, Washington has to swallow the pill in our matters, too.

"General Viola, while hesitating, has refused the U.S. plan concerning the formation of the South-Atlantic Military Pact, and is reluctant to send Argentine soldiers to the 'international peace-keeping' forces to be deployed on the Sinai. He raises his voice against the racist policy of South Africa, acknowledges the rights of the Palestinian people as well as recognizes the movement fighting for Namibia's independence," concluded the interview [with] Athos Fava.

CSO: 3020/157

## NEWSPAPER OWNERS ASK GOVERNMENT TO LIFT STATE OF SIEGE

PY202340 Buenos Aires HERALD in English 19 Sep 81 p 9

[Text] Santa Fe (NA)--The Association of Argentine Newspaper Owners (ADEPA) yesterday called once again on the country's military rulers to lift the repressive state of siege decree and other restrictive norms which tend to obstruct freedom of the press across the nation.

Representatives of ADEPA meeting here for the organization's 19th general meeting yesterday released a statement on freedom of the press in Argentina and accompanied it with a series of resolutions which were approved by the delegates. The first of the resolutions was the reiteration of an earlier call by ADEPA for the lifting of the state of siege, a repressive decree which suspends certain rights and guarantees granted to the country's inhabitants under the terms of the constitution.

In explaining insistence on this point, ADEPA states in the resolutions that "the suspension of constitutional guarantees conflicts with the republican system of government which the current national reorganization process has promised to restore."

The delegates at the meeting also resolved to reiterate their call for the repealing of an article of the national security law and of Article 212 of the penal code, since both pieces of legislation threaten freedom of the press by exposing newspaper editors to the risk of having to serve a term in prison for reporting on any type of terrorist action.

The resolutions also aimed at the repealing of the 48 percent importation tax which the government has levied on newsprint, a measure which was originally introduced by the government to protect local paper production, which the newspapers have attacked as uneconomical and of questionable principles since the major Argentine newsprint producer is a company owned jointly by three mass circulation (ostensibly independent) newspapers and the national government.

ADEPA is also seeking the lifting of paragraph of [as published] article 45 of Law 22,285, which it qualifies as contrary to the letter and the spirit of the constitution. This piece of legislation prohibits the granting of broadcasting licenses to anyone forming part of another radio broadcasting firm and/or has links with journalistic firms.



The ADEPA representatives say that this is contrary to the constitutional principle which grants the right to anyone to enter into any enterprise for (legal) profit and to carry out any legal activity or industry.

With regard to Central Bank regulations requiring a 180 [day] lapse for the payment of imports, ADEPA resolved to call on the government to permit the payment in cash of invoices on graphic equipment spares when the total was under \$5,000.

CSO: 3020/157

## 'HITLER YOUTH' RUMORED IN CORDOBA

## 'Hitler Youth' Group Described

PY180133 Buenos Aires HERALD in English 17 Sep 81 p 11

[Text] Cordoba (NA)--An ultra-right-wing group known as the "Argentine Hitler Youth" has been operating a training camp near this capital, according to the local daily LOS PRINCIPIOS.

The newspaper article contained detailed information on the group's financing, place of operations, and structure, and claimed that the group has international links in Western European countries.

No sources were named in the article attributing information to "reliable sources." According to them, the group was formed at the end of 1980 by "an obscure middle-man, identified with the extreme right, who has been involved with several religious groups of extravagant ideas, which have nothing to do with the Catholic Church."

Group members "are from very good families in the Cordoba, Rosario and Santa Fe City areas," the article said.

The adolescent army supposedly operates secretly out of a building in the Colon Department, north of this city, which was previously owned by a German immigrant, who was hunted by Jewish commandos, according to the article.

Group financing is provided by "wealthy Argentine financiers, who believe that towards the end of the century, an international Nazi movement will arise and seize power," the [article] said.

The sources explained that the power structure of this movement is organized identically to the German army during World War II. Thus, the article says, Argentine Hitler youth are divided into small command groups including "the feared SS and the Gestapo," and that they sport SS-style uniforms.

The organization reportedly has branches in Spain, Italy, France and Germany. "Should an emergency develop," the article said, "the group has a red alert prepared in which members can disappear without a trace."

Existence Denied

PY210003 Buenos Aires HERALD in English 19 Sep 81 p 9

[Text] Cordoba (NA)--Highly placed provincial officials denied reports of an alleged "Argentine Hitler Youth" movement in Cordoba, as published in the local newspaper LOS PRINCIPIOS.

Yesterday morning the newspaper in a frontpage rectification said that it had sent reporters to the area where training operations were allegedly being held and they found no trace of any military training ground.

Last Wednesday LOS PRINCIPIOS reported that it had information to the effect that in a locality known as Colon, north of this city, an extreme right group was training young people dressed in World War II Nazi uniforms.

CSO: 3020/153

## BRIEFS

**POLITICAL PARTIES STATUTE**--The political parties statute will be made known in the first half of 1982. This statement was made by the interior minister before he boarded the plane in which he went to Mendoza Province, where he had a meeting with members of the Democratic Party. Regarding civilian participation in the national reorganization process, Liendo said that it takes place through the six civilian provincial governors and through the members of their respective cabinets. He also said that the individual participation of the citizens takes place through the activities of the political parties. [Excerpts] [PY182131 Buenos Aires Domestic Service in Spanish 2000 GMT 18 Sep 81]

**FORMER PERONIST MINISTER**--Buenos Aires, 10 Sep (NA)--Jorge Taiana, former education minister during the last Peronist government, was transferred today from the Magdalena military jail, located 70 km south of Buenos Aires, to his house located in the Retiro neighborhood. Although Taiana's present situation could not be established, family sources have said that he is reportedly under house arrest. The former education minister is 70 years old. He has been under arrest under the control of the executive branch since 5 April 1976 but no specific charges were submitted against him nor was he tried during this time. [Excerpt] [PY140342 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0058 GMT 11 Sep 81]

**OIL WORKERS DISCHARGED**--Jose Montani, the secretary general of the Argentine Oil Workers Union Federation, has stated that a total of 1,700 oilworkers have been fired in the last 4 months while the fate of another 8,000 is still uncertain. He noted that this situation is caused by the unprecedented delay in the renewal of drilling and exploration contracts between YPF, government oil deposits, and private enterprises that work with YPF. Montani said that this is taking place in Santa Cruz, Chubut, Mendoza, Salta, Rio Negro, and Neuquen, which are oil drilling and exploration areas. He reported that there are 250 discharged employees in Santa Cruz, 450 in Chubut, 260 in Mendoza, 260 in Salta, and almost 500 in Rio Negro and Neuquen. [Excerpts] [PY092004 Buenos Aires CRONICA in Spanish 8 Sep 81 p 8]

**FOOD TO MALVINAS**--Buenos Aires, 14 Sep (TELAM)--A communique of the Argentine Foreign Ministry states: In accordance with its policy of giving special attention to the interests of the inhabitants of the Malvinas Islands, and aware of the current shortages of certain foodstuffs, the Argentine Government has decided to use an air force plane in order to help resolve the problem. A Hercules C-130 plane belonging to the 1st Air Brigade flew to Port Stanley on 12 and 13 September carrying 24 tons of foodstuffs. These flights were made in addition to the regular weekly flight of the state air lines (LADE). [Excerpt] [PY141422 Buenos Aires TELAM in Spanish 1255 GMT 14 Sep 81]

ONGANIA RELEASED--(NA)--Retired Lieutenant General Juan Carlos Ongania returned home a day early from military arrest in Campo de Mayo yesterday. The retired officer, who headed a military government from 1966 to 1970, received 10 days arrest from the army high command after he made statements criticizing the present military administration in Junin on August 18. It was not explained why he had been released from Campo de Mayo a day early yesterday. The former president made no comments to the press on returning to his home in Santa Rita, Bolougne, some 20 kilometres north of the federal capital, leaving for mass at a nearby church shortly afterwards. [Excerpt] [PY071931 Buenos Aires HERALD in English 7 Sep 81 p 9]

CSO: 3020/157

## MOZAMBIQUE MINISTER'S VISIT CONSIDERED 'POSITIVE'

PY180340 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Sep 81 p 7

[Excerpt] Mozambican Foreign Affairs Minister Joaquim Chissano's visit to Brazil is being considered "quite positive" by Itamaraty, which sees it as a "green light" for closer contacts with southern African countries.

However, the Mozambican foreign affairs minister's speech at the dinner given to him by Foreign Minister Saraiva Guerreiro, voicing criticisms which were considered excessively strong against the United States, left Brazilian diplomats embarrassed because they were addressed to a country with which Brazil tries to maintain the most friendly relations.

Despite that diplomatic embarrassment, the importance of which Itamaraty tries to play down with the explanation that Chissano's attitude is understandable because his country still lives in the "heroic phase of the struggle for liberation," the Mozambican foreign affairs minister's visit should open channels for Brazil's greater presence in southern Africa. This should be so in economic terms, considering the success of preliminary understandings for the joint development of a program for coke exploration in Mozambique, to be financed by the OPEC fund.

Itamaraty feels that Minister Chissano came to Brazil with the firm intention of "defrosting" relations between the two countries, and everything seems to indicate that his objective was fully accomplished. In his talks Chissano maintained a moderate and conciliatory tone, clearly contrasting with the tone of his speeches. Diplomatic circles interpret that behavior as intended for domestic consumption, not for the purpose of creating difficulties in the relations of Brazil with the United States.

CSO: 3001/249



COUNTRY SECTION

BRAZIL

BRIEFS

FOURTH ARMY DIVISION COMMANDER--Gen Moacir Ferreira this morning assumed the post of commander of the 4th army division. This division is headquartered in Belo Horizonte, Minas Gerais. [PY191747 Brasilia Domestic Service in Portuguese 2200 GMT 17 Sep 81]

CSO: 3001/249

## STATUS OF COMMUNIST PARTY ACTIVITIES DISCUSSED

Santiago QUE PASA in Spanish 27 Aug-2 Sep 81 pp 22-25

[News commentary by Elena Vial: "Communist Party: Alive and Kicking"]

[Text] They adapt to the underground and work patiently behind the scenes. They have a sporadic printed press and use the radio extensively ("Katia, the voice of the people, friend and comrade..."), a popular subculture and a tightly knit organization. They seek alliances with non-Marxist sectors, and it is assumed that they have infiltrated every group. They feel that conditions are right for violent struggle; however, reportedly their number one objective is a Single Opposition Front.

"EL SIGLO is coming back, the old and beloved newspaper is coming back. It is coming back to stay. More unassuming in appearance but filled by the same spirit with which the seminal words of Luis Emilio Recabarren infused the bloody soil [of Chile]."

This EL SIGLO, which was remembered with such nostalgia, is none other than EL SIGLO which Chileans knew so well until September 1973, the official organ of the Communist Party [PC] now banned by the constitution. Last year EL SIGLO appeared clandestinely and quite irregularly, replacing another PC publication called UNIDAD ANTIFASCISTA.

Rather poorly put together, literally trimmed by hand and embellished by not-too-clear photos, EL SIGLO is not, of course, the only clandestine Marxist publication. EL REBELDE is published more regularly by the MIR [Movement of the Revolutionary Left], and two publications are much more impressive in appearance: the multilingual ANCHA [Chilean Antifascist News Agency], which is published in France, and the pamphlet SELSO, which is printed in Luxembourg. In addition to these, there are many leaflets and press communiques, including one issued by the PC, dated June 1981, which calls for total confrontation to overthrow the government.

Marxist propaganda which is broadcast over Radio Moscow is also more penetrating; for example, on its new schedule there is a program called "Escucha Chile" [Chile Is Listening]; but it still has its regular stars:

"Every Tuesday and Friday, this music which many of you know and remember announces the arrival of Volodia Teitelboim with his regular program of political commentary. Voldia comments...musical bridge...here he is, Volodia."

The radio program, in addition to its regular political commentators, is a miscellany of news reports and political slogans, interlaced with cultural information of "particular" interest ("Tres Marias y Una Rosa" [Three Marys and One Rose], a great success in Brazil. In Santiago, there are presentations of "Fulgor et Muerte de Joaquin Murieta" [Life and Death of Joaquin Murieta], songs by the Inti Illimani group, analysis of the "Canto General" of Pablo Neruda.

The male announcer changes. The female announcer is always the same. ("Katia, beloved voice of a people, that thou are, friend and comrade..." one admirer writes to her.

The announcers use journalistic style:

"Tell me, Jose Miguel, what is this about Easter Island approaching?"

"It is approaching, Katia; it is approaching the continent."

"You don't say. Is that possible? Then, it is a floating island, an island which navigates...?"

And the commentators give instructions for the day.

"No, Pinochet, it has not ended. It has barely begun. The struggle for the National Plan (the one presented by the National Trade Union Coordinating Committee) which is becoming a real program of the principal social forces, is going to continue more and more and is going to be developed better." (Pedro Correa, 7 August)

Certainly, Radio Moscow has greater resources; however, the appearance of EL SIGLO, although very sporadically, has a symbolic value. It reminds us of the clandestine but active presence of the communists inside Chile. According to the undersecretary general of government, Jovino Novoa, they have kept their structure intact, 8 years after the military declaration. They can conceal themselves in the present situation and can also develop new forms of struggle at any moment.

#### An Important Change

What meaning do the communists have today in Chile? How do they operate?

Last year (see QUE PASA, 501) they boasted of having kept their structure of cells and committees intact; and their activist ranks have increased to 280,000 members, a figure which is probably exaggerated. Its principal leadership organizations have been decapitated twice by the Security forces; however, they now seem to be newly restructured.

Basically, the position of Luis Corvalan, which was published in "Nuestro Proyecto Democratico" [Our Democratic Party] in July 1979, has not changed. He supports understanding among all democratic forces, most particularly with the DC [Christian Democratic Party]. The objectives of this understanding would be three in number: overthrow the government and put an end to "fascism"; form a provisional government; and develop a common labor agreement for a longer period of time.

His international position continues to be loyally pro-Soviet: Secretary General Luis Corvalan approved the invasion of Afghanistan by the USSR, and this position is not questioned internally, as happened in other parts of the world.

An important change: at present the PC feels that conditions are right for violent struggle. It approves of some actions taken by the MIR (not all of them) and, in fact, in Concepcion, both clandestine groups, the MIR and PC, published a joint communique. This new approach would ensure that the PC does not lose the violent youth sector, which previously swelled the ranks of the PCR (Revolutionary Communist Party). It is still losing youths today but for other reasons, as will be seen farther along.

Osvaldo Rivera, engineer-agronomist and professor of biology, is a student of Marxism. He is now working with Jovino Novoa. According to him, it is particularly easy for the PC to operate underground because it is always prepared to do so and maintains an alternative as well as a legal structure. In five-member cells there is one control, one secretary, one treasurer and two ordinary activists. In the event a new cell is formed, one of these activists moves into it.

### The Single Front

Today, with certainty, those who really "give orders" in the Chilean PC are completely anonymous figures, although the old hands [Tercios] are kept up front.

For Rivera, the most important objective of the current PC is the formation of a Single Opposition Front; and revolving about this objective are activities such as that of the National Trade Union Coordinating Committee, its National Plan and subsequent events. He structures this objective in accordance with the well-known process: thesis, antithesis and synthesis, and says that the process was initiated in November 1980 with the discussion of the National Plan. After that the legal action taken by the government against the leaders of the Coordinating Committee brought a reaction in the form of a meeting of a group of persons and establishment of a Trade Union Defense Committee. Distinguished noncommunist leaders were noted among the committee. According to Rivera, this is a key point in the Marxist *modus operandi*: general alliances involving front organizations. What is more, this meeting early in July was held at the Trade Union Pastoral Vicariate. Assembled there, *inter alia*, were: Juvencio Valle, actress Maria Maluenda and former PC minister, Pascual Barraza. However, also present were: Jaime Castillo Velasco (and the three other men expelled from the country); former President Eduardo Frei; former DC Foreign Minister Gabriel Valdes; Federico Mujica; Tucapel Jimenez; Ernesto Vogel; former political leaders and present trade union officials for a total of 40 persons. At the time, very few were members of the PC.

In Rivera's view, the PC at present is indifferent to the fate of the Coordinating Committee. He is much more interested in the possible unity which could develop in the face of the reaction caused by the expulsion of four of the signers of the letter of support for this organization.

He says that infiltration in Chile is taking place in several sectors. One is the trade union sector, particularly in some peasant federations in the central part of the country and the Eighth Region; and in the mining sector, especially at this time, with the beginning of the coal negotiations. In this he is backed up by Radio Moscow when it shows its interest in the subject:

"Our editorial office has received a letter which has shaken us. It is postmarked Lota....

"...That combative town of coal miners, there on the Gulf of Arauco, if I am not mistaken..." (this is Katia, and therefore, is presumed to be somewhat confused).

Another sector in which infiltration is being attempted is the Catholic Church, at the rank-and-file level, and the Armed Forces. Of the latter, Rivera could not give conclusive proof; however, it has been a constant target of the PC in all countries in which it has operated. As poet Nicolas Guillen put it: "I do not know why you think /soldier, that I hate you..."; and so on until the last stanza, all of which is an invitation to change leaders.

The fact that infiltration is taking place in certain sectors does not mean that these are the only ones. On the contrary. Every activist is supposed to discover conflict in his district or work center and show up there.

#### A Subculture

But who are these activists? Generally they are anonymous persons with a low profile. We read the following in another clandestine newspaper:

"You cannot forget that you are the son of old Torres, a Tome textile worker; of skinny Ramirez, a Coihaque carpenter; of Lucho, a Santiago lathe operator; of Gonzalez, a Licanten primary schoolteacher; of Romero, a San Fernando peasant..."

A source close to the Christian Democratic Party explained the phenomenon of the PC in this way: "It is a subculture within society. A very organized group which also has a family tradition. The fathers were relegated to Pisagua; the sons are now working underground. They intermarry; have their parties; their "cookouts"; their revolutionary music cassettes; their martyrs; and their closely knit organization. The party's rigid regimentation causes the exodus of many youths; however, on the other hand, today they are the only united group in the Chilean Marxist sector. As many as 11 socialist factions have been detected! What is more, the profound crisis now being experienced by international Marxism (Afghanistan, Poland) is not to be found in Chile. This is the "besieged citadel"; therefore, it is not the time to discuss what is happening in the world or the lack of attractiveness of Soviet leaders.

This Christian Democratic source goes on to say that the PC has a stable activist sector (it neither increases or decreases in number); however, at present they are not at all interested in raising their heads. They are counting on time and their patience in continuously polishing their instrument: the party, the cells. For example, in the plebiscite they did practically nothing.

The Christian Democrats think that the PC is particularly concerned with infiltrating government organizations. They are in the neighborhood advisory councils, in mothers' centers; they are seeking new avenues to reach the municipalities.

"The old ladies never miss a meeting in the mothers' center, and they show up there in the front row!"

There is a book by Andre Fossard, a French newsman, entitled "Dios Existe; Yo Me Lo Encontre" [God Exists; I Met Him] which closely agrees with this interpretation of



the subculture. Frossard, son of the PC's first secretary in France, who was later converted to Catholicism, recalls his childhood as a communist boy who learned to read from a book entitled "Pedrito Sera Socialista" [Little Peter Will Be a Socialist] and went to sleep every night under a picture of Karl Marx.

At the age of 5, he accompanied his parents to the Wall of the Federates, a traditional site for revolutionary gatherings.

"I had learned to remain discreetly seated for hours at the foot of the speakers platform, while above my head passed speeches which left me with the remembrance of long, stormy outbursts, over which misery and flags hovered. Before me, countless faces, lifted above a field of blackberry bushes, listened to the recounting of their problems."

#### Social Democracy

Among the sympathizers with Social Democratic thought there are those who believe that an authoritarian regime over the long-term tends to strengthen the PC: first, because a polarization is produced which destroys the political alternatives of the center; and second, because communism has great experience in clandestine operations and has a powerful ally such as the USSR. On the other hand, the rest of the Marxist left has disintegrated. According to this thesis, a factor of an economic kind would be given, as current policy has widened the social gap.

As for armed struggle, Corvalan has called for the expanding of the fronts of struggle; and the USSR has the means to promote a possible guerrilla operation. In fact, it seems to have been proved that the USSR is financing the so-called "operation return" of terrorists to various Latin American countries. However, most of these guerrillas are not from the PC properly speaking but from other Marxist sectors. Moreover, a document dated April 1981 which, according to Radio Moscow, was signed by the PC and the Socialist Party, stated that "the prospects for insurrection are more than probable."

The Social Democrats think that the PC has lost many people. It has areas of influence in the mines, in the port and now, with less intensity, in the textile sector. As for the students, it continues to be present in the Academy of Pedagogical Studies and in some faculties at the University of Santiago and Santa Maria de Valparaiso, in the Pedagogical Faculty of the University of Valparaiso. This preference for teachers and future teachers is constant and here, according to a teacher with much experience, the PC preferentially uses the tactic of rumor, as this is a sector which is sensitive to such a method of operation.

#### 'Caupolicanazo,' Alliances, Phantoms

One political analyst, of a faction close to the government, told QUE PASA that the Coordinating Committee was a key factor in the work of the PC, although de facto many of its leaders were neither communists nor Marxists. Another important event, although of a different kind... "Caupolicanazo," in support of Frei, in the plebescite. "However, that action was a tactical mistake. Too much was left uncovered and a reaction was triggered." This analyst is notoriously optimistic and says that the PC is not important in number, does not have influence and does not have the



capabilities for armed struggle. There are sectors which tend to enlarge the stature of the PC, its "phantom quality," and thereby to prevent any kind of political opening up. Its force really lies in its ability to form alliances.

Therefore, its future depends in large measure on the attitude of opposition democratic groups toward it.

As for alliances and infiltrations, something strange is happening. Just as the Christian Democrats believe that the PC is infiltrating government organizations, government analysts are of the opinion that Christian Democracy is the sector most susceptible to the search for alliances by the communists.

A high security official gave us his reasons: the DC was the principal political party, and its image is now deteriorating; it also has influence in informed sectors of the populace, connections with leftist-leaning groups within the Catholic Church and has already suffered from an exodus of activists to the left and right. Finally, it has an international character which would be very useful and, moreover, Corvalan himself has on many occasions reiterated his offers to the party.

#### Print Media, International Networks

As for infiltrations, all sectors are in agreement that the PC is not seeking the masses but rather the leaders; it is not looking to take their places but rather to maintain a discreet and influential position in the background. Government analysts say that the working Chilean wants security and stability in an ambience of internal peace. To the degree that the state is able to provide him with these things, the PC will have its lines of action cut off. Jovino Novoa said in his speech that there is also interest in intellectual knowledge of what Marxism is, so that it can be confronted in the fields of history, science and philosophy.

The high National Security official to whom we referred adds an important point to his analysis. According to him, there is a PC presence in the printed media "for the timely exploitation of national and international events on a coordinated basis."

He also gave us a list of international entities which are said to be "front organizations" for Marxism and which are in a position to supply funds to the local PCs.

These include the World Federation of Democratic Youth, Women's International Democratic Federation, World Federation of Trade Unions and others of a similar kind, all of which are interrelated and, still according to our source, financed by Moscow. In this instance, the paymaster is reportedly Comrade Boris Pomarev who heads the International Department of the Communist Party of the Soviet Union.

8143

CSO: 3010/1784

## TECHNICAL ASSISTANCE FROM JAPAN BEGINS

Santiago EL MERCURIO in Spanish 8 Jul 81 p C-10

[Article by Dania Guelfand]

[Text] Coquimbo--Dr Shizuo Akaboshi, an expert in technical and scientific aspects of raising marine mollusks of commercial interest, has arrived in this city and will be working for 2 years with the Coquimbo center marine research department of the Universidad del Norte, thanks to a Chilean-Japanese technical assistance agreement.

The Japanese scientist will develop a number of research projects related to raising oysters, preferably the smaller variety, including a study of microplankton, the food for this species, so that larvae can be produced in the laboratory.

These projects are part of the primary activities of the center, whose basic purpose is reproductive biology and the development of marine invertebrates of economic importance.

The Coquimbo main office has located its work area in the coastal waters. In this area the extinction of some species and an evident reduction in others have been observed with alarm.

The most important resource in the coastal waters is mollusks, and the only way of increasing their numbers, saving what exists and managing it rationally is to create shoals in their natural environment. To do this, it is vital to conduct analyses in the laboratory and in the actual environment.

It is also considered a prime importance to inform the private sector, both industry and tradesmen, of the results of these studies to encourage its interest in the growth of this activity.

#### Improve Systems

The author of some 15 scientific publications on his speciality and a consultant to the Brazilian government on the technological transfer of marine cultures for the past 9 years, Shizuo Akaboshi will apply his knowledge to working with Japanese and Chilean oysters. Basically he will try to refine and improve the systems used by the marine research department.

It is worth noting that young samples of Japanese oysters have already been obtained. Chilean oysters have not been spawned yet, however, since the program was started only a short time ago with 500 samples brought from the south of the country, donated by the national fishery service.

At the same time, the specialist will continue experiments with another mollusk, the abalone, using new techniques to further the progress achieved to date.

The center's expert, Andres Hoyl, said that for the time being they are not contemplating the cultivation of coastal fish, because "we do not have the technology and it is also much more complicated than for the mollusks since they are prey to diseases and are more difficult to feed."

9805

CSO: 3010/1545

## MINERAL DEPOSITS IN REGION XI TO BE EXPLOITED

Santiago LA NACION in Spanish 8 Jul 81 p 8A

[Text] The Toqui mining company has committed a total investment of almost 20 million dollars to exploit six deposits of zinc, silver, gold, copper and lead located in the inhospitable mountainous area of Region XI.

According to what its executives reported in a technical journal, the area to be mined lies 110 kilometers to the east of Puerto Chacabuco, Aisen Province, in the zone bordering Argentina.

According to the mining company management, the firm began working on this large mining project shortly after its initial partner, the German company Metalgessellschaft, decided not to invest about 50 million dollars in a deposit of the same name.

Nearly a year after that decision, the Chilean company completed its feasibility study for the project. According to engineer Arnaldo Leppe, the company's superintendent, the study showed that, among many other factors, given the production level and costs of the operation, "even if the prices for our products were to fall by half, it would still be a success."

## Reserves and Production

During an initial stage, the 1,502,000 tons of proven reserves of copper, silver, gold, zinc and lead will yield 500 tons of ore a day for processing, or 165,000 tons a year. According to studies conducted by the firm, the anticipated annual production, in the form of concentrates, will be as follows: 36,000 tons of zinc, 3,000 tons of lead, and 300 tons of copper, while the gold and silver will be sold in conjunction with them.

The investment commitment for the project totals exactly \$18,726,119, out of which \$6,726,285 has already been disbursed.

The management added that the low copper yield "does not bother the company, since it is only a byproduct of the process, and therefore does not cost it anything." Consequently, the Chilean company's expectations focus on the silver, gold and zinc in the six deposits.

According to the grades observed for each metal, the investment is assured of being profitable, as the zinc grade is 18% in the Estatuas vein, the silver content amounts to 290 grams per ton in the Concordia vien, and the Katerfeld lode shows a gold content of 3 grams per ton and a copper grade of 1.7 percent.

The average grade for the San Antonio, Zuniga, Estatuas, Antolin, Concordia and Katerfeld deposits is 0.7 percent for copper, 3 percent for lead, 12.5 percent for zinc, and 64.3 grams per ton for silver. The location and interpretation of the proven, probable and possible reserves of these six mineral deposits shows a stock of 5.2 million tons, and an estimated potential of a further 5 million.

#### Industrial Outpost

As the company's executives indicated, the commencement of mining operations in an area where almost the only means of support has been farming will transform Toqui into a true industrial outpost in the southern part of Chile.

9805

CSO: 3010/1545

## BRIEFS

**FOREIGN MINISTER LEAVES FOR UN SESSION**--Chilean Foreign Minister Rene Rojas Galdames has left for New York. He is heading the Chilean delegation that will attend the 36th UN General Assembly. During his stay in New York the Chilean foreign minister will hold meetings with colleagues from about 15 countries among which is one scheduled with Argentine Foreign Minister Oscar Camilion for 24 September. Rene Rojas Galdames will also hold separate meetings with the foreign ministers of Singapore, Thailand, Israel, Canada, Brazil, Paraguay, Peru, Dominican Republic, Italy and Portugal. [Excerpts] [PY211449 Santiago Chile Domestic Service in Spanish 1100 GMT 21 Sep 81]

**TERRORISTS SUBMITTED TO MILITARY COURT**--The third military prosecutor's office has reported that the three detained terrorists Guillermo Rodriguez Morales, Adalberto Munoz Jara and Eugenio Pizarro Pena have been summoned to military court. The prosecutor has requested that Rodriguez and Munoz be sentenced on several charges and he has also requested that Pizarro be tried by a military court under peace time provisions. The military council, made up of six members from the armed forces, will decide on the prosecutor's recommendation. [Excerpts] [PY171857 Santiago Chile Domestic Service in Spanish 1100 GMT 17 Sep 81]

**ARMS SALES**--Santiago, Chile, 19 Aug (AFP)--It was reported here today that the Chilean Army Ordnance (FAMAE) will sell torpedoes, grenades, revolvers, pistols and tools to African and Middle Eastern countries. Llamil Jorrat Gaete, adviser to FAMAE will travel abroad at the end of the month to contact interested parties. He reported that nations like the Ivory Coast, the Arab Emirates, Senegal, Nigeria and Kenya are interested in purchasing these Chilean goods. [Paris AFP in Spanish 0513 GMT 20 Aug 81]

**FOREIGN CAPITAL INFLOW**--Santiago, Chile, 8 Aug (TELAM-DPA)--The metropolitan daily LA SEGUNDA has reported that Chile received \$2.5 billion from abroad during the first half of the year. The exact figure is \$2.506 billion, which is slightly higher than the \$2.48 billion received from abroad for the entire last year. [Buenos Aires TELAM in Spanish 2035 GMT 8 Aug 81]

**TRADE DEFICIT**--Santiago, Chile, 14 Aug (AFP)--The Chilean Central Bank today reported that Chile's trade deficit surpassed \$1.5 billion during the first half of the year. The official report states that while Chilean exports amounted to \$2.032 billion, imports amounted to \$3.56 billion. [Paris AFP in Spanish 1928 GMT 14 Aug 81]

**AMBASSADOR TO BRAZIL**--Javier Illanes Fernandez, the new Chilean ambassador in Brazil has presented his credentials to Brazilian President Joao Baptista Figueiredo. [Santiago Chile Diplomatic Information Service in Spanish 0046 GMT 20 Aug 81]



PRC CULTURAL AGREEMENT--Rene Rojas Galdames, minister of foreign affairs, and Tang Haihuang, ambassador of the People's Republic of China, will exchange memoranda on a cultural and sports agreement between the two countries. The ceremony, to take place at 12:15 hours today in the Salon Rojo of the foreign ministry, will be attended by Alfredo Prieto, minister of education, Brigadier General Ivan Dobud, director of the sports and recreation department (DIGEDER), and university presidents and directors from the ministry of foreign affairs, among others. [Text]  
[Santiago LA NACION in Spanish 8 Jul 81 p 7A] 9805

CSO: 3010/1545

## FOREIGN CREDITS TO COVER BUDGET DEFICIT

Bogota EL SIGLO in Spanish 26 June 81 p 1

[Text] The national government will resort to special allocations and counter-credits to be able to make up the fiscal deficit and to boost the various development programs. Sources in the Finance Ministry revealed yesterday that the cabinet approved new projects worth more than 50 billion, with funds to be supplied by various foreign banks.

Finance Minister Eduardo Wiesner Duran submitted the new decree drafts to the Council of State and these documents will be studied by that body so that, following their approval, further steps may be taken in the pursuit of this undertaking through the international banking system.

The figure of \$50,261,600,000 will be added to the 1981 revenue and capital assets budgets and the latter's implementation will begin during the second half of this year to guarantee the development of all projects contemplated by the various ministries and decentralized agencies.

If these new projects should materialize, then the figure of 50,261,600,000 would be added on top of the figure of 201,638,600,000 in the revenue and capital assets budget for the current fiscal year, giving us a total of 251,900,200,000 for this year.

The cabinet decision to resort to foreign loans was based on the country's borrowing ability which in turn springs from the high volume of international reserves which today come to \$5.39 billion, a figure that will be reduced by about \$300 million for the rest of the year.

Here are the essential objectives of this refinancing transaction regarding the national accounts: to resolve the growing fiscal deficit, to finance the public debt, to pay for interest rate adjustments abroad, to comply with immediate financial obligations, and to promote the development projects planned for this fiscal year.

5058

CSO: 3010/1511

## SPONGE IRON PLANT PLANNED FOR ATLANTIC COAST

Bogota EL ESPECTADOR in Spanish 23 Jun 81 p 11-A

[Text] The sponge iron plant, which the government is planning to build on the Atlantic Coast to supply the semi-integrated steel industry, will cost an estimated 5 billion pesos, at current prices, according to official figures.

The financing of this project, which is part of the complex of industrial plants promised by the government for the north coast, will require help in the form of foreign funds in which connection the National Planning [Agency] has launched negotiations in an effort to obtain \$56.3 million for this purpose.

The project's total estimated cost, in U.S. dollars, comes to \$86.1 million and the executive agency will be the IFI (Industrial Development Institute), as well as Ferrominara, S.A. [Inc].

The project is justified by the availability of natural gas on the Atlantic Coast which will permit the establishment of a sponge iron plant to provide the raw material necessary for the semi-integrated steel enterprises.

The output capacity of the complex will be 250,000 tons of iron per year and it is expected that it will become operational starting in 1985, with the possibility of doubling the figure in a short period of time.

Planning [Agency] emphasized that the completion of this project will result in the utilization of natural resources in an extensive area of Colombia, as well as the substitution of imports, the creation of new jobs, and the full utilization of the installed capacity of the semi-integrated steel mills.

Currently, the project is in the definition phase regarding the alternatives for the placement of the port and the plant design studies. It is estimated that the feasibility studies, now being conducted by the Italian firm of Techint, will be completed by the end of the first half of this year.

The plant will be built in the jurisdiction of the township of Cienaga, in the Department of Magdalena, according to the promises made by the current administration. In addition to that project, the Atlantic Coast will get the Andean camper [jeep] plant, the Palomino petrochemical complex, and the El Cerrejon coal project.

The foreign financing plan, which will be submitted to the consultant group, includes the sponge iron project and the disbursements for it will be handled in the following manner: \$26.6 million, including 5.7 million in domestic funds and 18.9 million in foreign funds; 1982: 42.5 million; and 1983: \$19.0 million, for a total of \$86.1 million.

Also, the contract to finance the feasibility study for the ammonia-urea project, which will also be located on the Atlantic Coast, has been signed.

5058

CSO: 3010/1511

ECONOMIC EXPANSION DECLINES IN 1979-80

San Jose LA NACION in Spanish 20 Aug 81 p 8-A

[Article by Lafitte Fernandez R.]

[Text] The Costa Rican economy registered a sharp slowdown in its expansion in 1979 and 1980, which international experts attributed to both internal and external factors.

The Secretariat of Central American Economic Integration (SIECA) conducted a study on the economies of the five countries in the region, in which it noted that the problems are not exclusive to this nation.

It mentioned that there has been an ongoing decline in the rate of economic expansion in Guatemala, Honduras and Costa Rica since 1978.

It clarified, however, that the trend worsened more in Costa Rica and Honduras in 1980 than in other nations.

The report does not fail to mention, nonetheless, that the economies of Nicaragua and El Salvador were in a serious recession during the period.

Perhaps the main concern of the SIECA technicians is that the gross domestic product of Central America (in constant 1970 values) grew at a much slower pace than the natural increase in the population.

The study clearly asserts that in spite of the economic problems in Guatemala, Honduras and Costa Rica, it was the performance of the Nicaraguan and Salvadoran economies that prompted the slow growth of regional output.

Costa Rica

The SIECA experts examined the country's agricultural output since, as in the other Central American nations, this is the sector that generates the most jobs and foreign exchange,

Costa Rica and to a lesser extent Honduras succeeded over these 2 years in reducing dependence on coffee, banana, beef and sugar exports by boosting sales of other, nontraditional farm products.

This increased independence is also attributed to a larger share for manufactured goods in exports.

In commenting on this development, the study mentions the case of Guatemala, which in spite of attempts to reduce its dependence, saw it rise by 2 percent. Nicaragua and El Salvador are becoming less dependent on traditional farm exports.

A breakdown by product shows that Costa Rica is the region's third largest coffee producer (15 percent of the total) and along with Honduras the leading exporter of bananas.

We are also the main meat producer in the area, replacing Nicaragua in 1979 (29,400 tons).

With regard to sugar cane production, the study notes only that it dropped in the region because of less acreage in El Salvador, Nicaragua and Costa Rica.

#### Grains

Rice, corn, beans and sorghum are the domestic staples in Central America.

With regard to rice, which Costa Rica consumes less of than the other nations in the area, we had a shortfall of 6 percent (only El Salvador was self-sufficient over the 2 years under study).

We also recorded the highest shortfall in beans in the region (62 percent). Costa Rica was, however, the largest rice producer in Central America (51.3 percent of total regional output).

#### Industry

There was a downturn in industrial production in Costa Rica in 1979 and 1980, and the local sector was battling to emerge from an impasse created by cyclical limitations and a stagnation of effective demand built up over the last 20 years).

In connection with the current account, the study points out that the Costa Rican economy recorded the highest negative balances, "accounting for 39.4 percent of the total Central American current account deficit in 1980."

It also mentions that Costa Rica, like Guatemala and Honduras, significantly improved its trade balance within Central America, as its exports rose by 91 million Central American pesos in 1980 while imports were kept quite low.

"This enabled Costa Rica to record a surplus totaling 47 million Central American pesos, thus shifting from its almost traditional status as a debtor country to a creditor country," the report adds.



## Background

The study says that since 1970 the Costa Rican economy has been affected by major domestic developments, compounded by the imbalances caused by the world economic situation over the last few years.

It asserts that domestic supply has fallen short of demand and that the country therefore resorted to foreign supply in 1979 and 1980.

The experts say that another factor in the slowdown of the local economy was "uncertainty about the sociopolitical situation in the other countries of the region."

"After having risen slightly in 1979," SIECA says, "overall demand came to a virtual standstill the following year because of less gross investment in fixed capital and also because both private and public consumption levels were practically the same as the year before."

It also disclosed that exports of goods and services also dropped 2.7 percent in 1980, in spite of higher sales to the Central American Common Market, mainly Nicaragua, which has been Costa Rica's leading client since 1979.

It also mentions that the large budget deficits recorded during the period under study were financed by domestic borrowing and that the share of this borrowing rose from 49.3 percent in 1979 to 80.6 percent in 1980.

### Industrial Sector Growth Rates (in constant 1970 values, 1978-80)

Guatemala, 5.9  
El Salvador, -10.3  
Honduras, 6.7  
Nicaragua, -9.0  
Costa Rica, 1.6

### Farm Sector Growth Rates (in constant 1970 values, 1978-80)

Guatemala, 2.9  
El Salvador, -3.4  
Honduras, 2.7  
Nicaragua, -10.7  
Costa Rica, 1.9

### Gross Domestic Product Growth Rates (in constant 1970 values, 1978-80)

Guatemala, 4.2  
El Salvador, -5.0  
Honduras, 4.4  
Nicaragua, -6.1  
Costa Rica, 2.5

## RURAL ORGANIZATION IS BASE FOR AGRARIAN REFORM

San Jose LA NACION in Spanish 17 Aug 81 p 6-A

[Text] "One of the bases for a comprehensive agrarian reform is the formation of a broad and democratic peasant farmer organization that is committed to the process as its prime mover." This was one of the conclusions of the First National Congress of Agrarian Law, held on the occasion of the 100th anniversary of the founding of the Bar Association.

Costa Rican and foreign jurists, as well as specialists in related areas, took part in the congress. The main points taken up, all of which had to do with the agrarian reform, led to the conclusion that "the system of land ownership, use and development in Costa Rica is marked by deep-seated imbalances."

"In contrast to the concentration of land in large estates, the phenomenon of squatter settlements [precarismo] is expanding with each passing day because of the needs felt by (landless) peasant farmers," the document says.

The attorneys defined a comprehensive agrarian reform as "a drastic and massive political and social process directed and implemented by the State in order to radically reform the economic, social, legal and political structures of farming."

They say that they are aware that such a transformation requires a redistribution of production resources and, therefore, of real income and political power, in order to thus raise the social level of rural residents and incorporate them into the national community.

Parallel to these steps, they consider this the right time to amend Article 45 of the constitution so that it can be tailored to the country's new historical realities.

## Legal System

In this regard, they felt that our legal system has been highly discriminatory against farm workers in comparison to others. For example, the Labor Code focuses on the "workers in general" and makes distinctions as to special contracts according to the activities that individuals are engaged in (domestic workers, women, minors, etc).

The attorneys considered the legislation unjust because it discriminates against the worker in terms of work shifts, work breaks, days off, wages and constitutional guarantees in the event of a strike.

Farm workers "are unprotected" by 38 years of labor legislation because the only gains that have been made boil down to some degree of protection in the form of social security and a vacation reform.

They contend that the current level of peasant farmer wages is far below that of municipal and service sectors, which is compounded by the periodic unemployment stemming from the temporary hiring of laborers. This has an impact on other areas such as nutrition, education and recreation, as well as the inability of peasant farmers to take advantage of the benefits of society.

The fact is that only through union efforts and collective bargaining have farm workers improved their economic and social conditions, they assert.

Given this outlook, they are contending that farm workers ought to receive the same treatment as other sectors and should even be given greater economic, social and legal incentives. These goals would be accomplished through a structural agrarian reform that again made labor law a champion of the working class.

They mentioned that the regulations on agrarian contracts are in our country's Civil Code and are not at all in keeping with protection for businessmen farmers and with farm activities because these regulations stem from a period of history that is out of step with the demands of our times.

With regard to farm business ventures, they felt it was a good idea to establish a true legal system for working farm operators that would guarantee at least all of the gains made by other workers. Under such regulations the peasant farmer community enterprise ought to become the basic tool for spurring on the agrarian reform in Costa Rica.

Lastly, they analyzed agrarian jurisdiction, in relation to which they felt it was necessary to draft a policy-setting, up-to-date law "that would take into consideration the status and development of the jurisdiction movement in Latin America, especially its second phase, as in countries like Peru and Venezuela."

Their conclusion was that "a modern agrarian jurisdiction under the aforementioned terms would be a magnificent vehicle for guaranteeing respect for and protection of the rights of peasant farmers, farm workers and businessmen farmers, who have thirsted after social justice for so many years."

## JOURNALIST CHARGES 100 KILLED IN BUTCHER SHOP

PA170437 Paris AFP in Spanish 2032 GMT 15 Sep 81

[Text] Mexico City, 15 Sep--A Mexican correspondent disclosed today that more than 100 Salvadorans were murdered in a butcher shop by Salvadoran security organizations.

According to Alberto Pipino, UNO MAS UNO correspondent in El Salvador--who had to seek asylum at the Mexican Embassy after he reported this, because of several attempts to kidnap him--butcher shop workers charged that "the security organizations used the installations of El Rastro Quality Meats to kill more than 100 Salvadorans during evening hours, protected by the curfew."

Pipino commented that Guillermo Valdivieso, manager of El Rastro Quality Meats, held a telephone conversation with him in which he said that "these things do not occur" during his working hours.

El Rastro occupies an area of 2,000 square meters in Ateos, La Libertad Department, Pipino reported.

The correspondent noted that during the second half of August, several foreign correspondents were wondering where almost 120 persons could be beheaded without any witnesses and without flooding the walls and floors of any installation used with blood, and how 15-40 bodies could be moved from one place to another without drawing any attention.

The workers, who described Quality Meats as the "cold-storage plant of death," said, according to Pipino's story, that "the metal and tile walls allow the blood to be cleaned up in a few minutes and that the cold-storage trucks permit the quick and clean movement of the bodies."

Pipino added that while the Salvadoran security forces were trying to capture him, other foreign correspondents received threatening calls from a so-called "death-squad," warning them not to publish anything about El Rastro Quality Meats, on pain of death.

CSO: 3010/1852

## JUDGE'S RULING ON SOL MEZA RELEASE PUBLISHED

PA040214 San Salvador EL DIARIO DE HOY in Spanish 3 Sep 81 pp 2, 41

[Text] Because of its legal importance, we hereby publish justice Dr Jose Albino Tinetti's ruling in favor of Ricardo Sol Meza. Dr Jose Rene Barillas was the court secretary assisting Judge Tinetti. The ruling, based on existing evidence, in favor of Sol Meza says:

"Honorable Supreme Court of Justice:

"I, Jose Albino Tinetti, a lawyer who resides in this city, whom you appointed to examine the evidence submitted in the case of Ricardo Sol Meza, with due respect, hereby submit a report in accord with the law: I have read and carefully analyzed the 505 pages of the 3 volumes containing the proceedings of this case, handled by the fifth district criminal court and identified as No 26 of 1981, against defendants Ricardo Sol Meza and Hans Achim Rudolf Walter Christ, also known as Hans Christ, on the charge of the homicide of Jose Rodolfo Viera Lizama, Michael Peter Hammer and Mark David Pearlman.

"After examining the evidence, it is my opinion that despite great efforts by the parties involved and by the court, the only evidence that should be used to determine if there are legal grounds for detaining the defendant is the legal testimony given by witness Mrs Teresa de Jesus Torres Lopez, beginning on page 117 of this case.

"The other witnesses are either indifferent or are witnesses for the defense and, therefore, their testimonies are irrelevant to the point we are trying to determine.

"Neither can we take into consideration the photocopies of alleged testimony given by those witnesses. I base my opinion on the following details: The testimonies rendered in the presence of the U.S. consul in El Salvador on 27 March 1981, presented in two photocopies attached to page 170 by Jorge Carlos Figeac Cisneros, special agent and representative of the attorney general of the republic, and also to pages 171 and 172; and other testimony submitted by Dr Jorge Vitelio Luna, attorney for the defense, attached to page 476, in original and copy and in other annexes, also appear attached to pages 477-497, which it is said were presented in Washington, D.C., on 9 June 1981. It was signed and issued under oath before Notary Public Barbara R. F. Zsydla. Neither document can be accepted as legal evidence, because our penal code establishes that the testimony of a witness must meet the following requirements:



"A) It should be submitted to a competent judge, either personally or through a representative, but, in the latter case, it can only be accepted during the period of inquiry (Article 209 Pr. Pn.) and not during the plenary session (Article 307 Pr. Pn.); B) it should be submitted at the corresponding trial; and C) it must meet all of the requirements demanded during the period of inquiry, as established by Articles 210 to 213 Pr. Pn.

"I do not think it is necessary to dwell any longer on the foregoing. I believe my opinion is shared by the judge, who, despite the photocopies submitted as part of the initial testimonies, did not abide by the testimony to order the provisional detention of the defendant. I also believe that my opinion is shared by the three district attorneys who participated in this case and who, based on testimonies taken outside the court (page 459), say: These 'testimonies' are not legally valid unless made before a competent judge. They only serve as additional information.

"It could seem as if the foregoing is a longstanding habit: a slovenly application of the obsolete principle that says: 'What you do not submit during the inquiry does not exist.' The truth is that in this case there is no other way to act. The aforementioned principle demands that testimonial evidence be guaranteed to be authentic, true and impartial, for the benefit of those involved. Only by complying with this principle can we answer the question that a prisoner submits to the musician Virata in one of Stefan Zweig's works: 'How can you tell what is real and what is false just by looking at things from a distance and by basing your thoughts on what you hear people say?'

"Consequently, in accord with the above, what must be established is whether the testimony of Mrs Teresa de Jesus Torres Lopez provides sufficient evidence to indicate if Ricardo Sol Meza participated in the willful homicide, with aggravating circumstances, of the persons of Jose Rodolfo Viera, Mark David Pearlman and Michael Peter Hammer.

"To do this, we must examine the witness' knowledge of the crime or of the circumstances preceding, accompanying or following that crime.

"1. The testifier said that she was not an eyewitness to the commission of the crime ('that she neither saw who fired the shots or the number of persons,' page 117 V);

"2. In her testimony, there is no reference to any circumstance preceding the commission of the crime that indicates the participation of Sol Meza;

"3. As to the circumstances accompanying the commission of the crime, Mrs Torres Lopez said that 'several shots were heard,' although she could not establish their caliber...from which no evidence can be obtained to suggest that Sol Meza participated in the crime; and

"4. Regarding the circumstances that followed the commission of the crime, it is important to examine three of them mentioned by the witness, which involve actions of or references to Sol Meza.



"A) Later, the testifier, with Miguel and Sofia, went to the site of the murder to see what had happened and saw Viera and his companions lying on the floor. Someone who claimed to be a doctor--whom the witness did not know--arrived at the same time; however, the testifier believes the man works in a new building at the Sheraton Hotel known as '24 Hours.' The man was a hunchback, and despite repeated summons to this alleged doctor, nobody has done the least thing, as recorded in the trial, to locate him. As the room began to get crowded, the hotel manager asked them to clear the room. The witness explained that on their arrival to see the corpses, Mister Christ was talking through a device in English, while Sol Meza was curled up, watching the bodies.

"The transcribed paragraphs fail to imply that Sol Meza participated in the crime. Had there been any suspicion of direct participation, a cross examination should have posed the question: Was there anyone else at the site of the crime when the witness arrived there? How much time lapsed from the time the witness heard the shots, proceeded to the kitchen and later to the room? Was there more than one door in the room, and if so, did anybody leave by them after the shooting, as only Sol Meza and his companion were in the room when the witness reached it? In this respect, she said: 'The testifier did not see anyone leaving las Americas' room at the time of the shooting as she ran toward the kitchen.' The witness was asked if Sol Meza was armed and answered: 'The testifier did not see Sol Meza or Mister Christ carrying arms or briefcases.'

"In other words, these facts fail to imply with certainty any participation in the commission of the crime on the part of Sol Meza, or even the presumption of such participation.

"B) The witness said that she had not previously testified in any court for fear that her secret would be revealed; and that, in addition, she had not done so because Mister Sol Meza had told her it was better not to say anything, as the hotel would be seriously affected. (page 118)

"This statement also fails to prove that Sol Meza participated in the crime charged against him and for which his freedom has been restricted. At the most, he could be charged with some type of violation against the administration of justice. In such a case, Mrs Torres Lopez would be disqualified to testify against Sol Meza (Article 499, 3d, Pr. Pn.) as both are coauthors or accomplices of the same crime of fault.

"C) Finally, the witness said 'that Miguel Marroqui and Sofia de Ramirez never told her they had witnessed the crime; they did tell her they suspected Christ and Sol of the crime, although they were more inclined to believe it was Hans Christ...that the persons who told her that Sol Meza had the courage to go there were Sofia and Miguel...as to the above, Mrs Torres Lopez becomes a second-grade or indirect witness, because she tells not what she experienced but what she was told by others. Such testimony in our midst is no cause to arrest anyone. Elsewhere, even if it could be argued that there was threat, bribery and so forth, of which there is no evidence in the process, it is necessary to note that Sofia de Ramirez, in her original testimony (page 18), or in the expansion of her testimony (page 124), does not support Mrs Torres Lopez' story in this point: The same is true of Miguel Marroquin or Miguel Gregorio Marroquin Lara (pages 122-123).

"In view of the above, based on my knowledge and the provisions of the laws of our republic, I believe that there is no legal foundation for the arrest decreed; thus, Sol Meza must be released.

"That is my report.

"San Salvador, 25 August 1981"

CSO: 3010/1836

## EDEN PASTORA'S FRIENDS, RELATIVES ARRESTED

PA091948 Panama City ACAN in Spanish 1833 GMT 9 Sep 81

[Text] San Jose, 9 Sep (ACAN-EFE)--Relatives and friends of Eden Pastora, Commander Cero, have been arrested and imprisoned in Nicaragua, according to a report published by the evening newspaper LA PRENSA LIBRE of this capital.

The report indicates that Nicaraguan private businessmen who arrived recently in San Jose revealed that there is a relentless persecution against "the heroes" who fought alongside Commander Cero in the southern front near the Costa Rican border.

They said that the relatives and friends of the Sandinist revolution's legendary Commander Cero, Eden Pastora, have not escaped this persecution, according to the report announced here.

The report reveals that since last Thursday slogans have begun appearing on walls and buildings of Managua indicating that "Eden will return," "Pastora will return" and so forth.

As a reaction of the armed forces, since Friday morning the army has been arresting people close to Pastora in their own homes and a long list of persons are imprisoned. It is possible that there are many others whose names are not known.

Commander Leonel Poveda Sediles (Comanche), who fought alongside Cero during the struggle against Somoza, is in prison.

After the war Poveda was chief of customs at Penas Blancas, general administrator of customs and deputy minister of foreign trade until his arrest.

Mario Aviles Saenz (Commander Federico), another one of the arrestees, was Pastora's lieutenant on the southern front. After the struggle he was successively appointed military chief of the Las Mercedes airport, director of the insurance institute, and commercial chief of the Nicaraguan Fishing Institute. He held this last post at the time of his arrest. All of this information is from the evening newspaper PRENSA LIBRE's report.

Another prominent person arrested is Hector Sanchez Arguello, son-in-law of Leonte Herdocia. Leonte Herdocia heads the Nicaraguan Human Rights Commission. Sanchez Arguello was deputy commander of the southern front, where he was seriously wounded in a clash with Somoza's national guard.

Sanchez Arguello was a high-level official of the agrarian reform at the time of his arrest.

Adolfo Chamorro Cesar, deputy commander of transportation of the southern front during the insurrection, was arrested on Friday. He is a brother-in-law of Sandinist Commander Richard Lugo, who is currently in Libya, the PRENSA LIBRE report adds.

According to the information available, two brothers-in-law of Eden Pastora were also arrested during Friday's raid. Their names are Emilio and Raymundo Torres. They fought as heads of columns in the southern front.

Other men who fought beside Pastora have been imprisoned: Carlos Abaunza Cabezas, Alfredo Mendieta, Secundino Chavez, Julio Ramirez, Vicente Godoy and Mauricio Castillo, who was security commander of the southern front.

PRENSA LIBRE does not identify its sources, "for obvious reasons."

CSO: 3010/1836

## CST'S JIMENEZ URGES BATTLE AGAINST DECAPITALIZATION

Managua BARRICADA in Spanish 2 July 81 p 12

[Text] Supported by the applause of a thousand labor leaders of Managua, Lucio Jimenez, secretary general of the Sandinista Workers Central [CST] called for a nationwide war against decapitalization at the first meeting of labor union boards of directors and UNE [National Employees Union] committees held last night at the Maestro Gabriel Institute.

There the workers coined a new slogan: "Confiscation: The Weapon Against Decapitalization."

The meeting was presided over by the National Executive Committee of the CST and a representative of the FSLN [Sandinist National Liberation Front].

Companero Lucio Jimenez, secretary general of the CST, gave the principal speech of the event in which he emphasized the role the workers should play against decapitalization.

The labor leader affirmed that there is a basic form of decapitalization--noninvestment.

Starting with the last meeting of the National Union Coordinating Council of Nicaragua, he explained the problem of decapitalization thus:

"We are witnesses to the conscientious participation of the workers, even at times engaging in the tasks of management. We appreciate the immense sacrifice of the working class and all the workers, but in opposition to this effort and sacrifice is the criminal hand of imperialism and its lackeys, the treacherous bourgeoisie which in a thousand and one ways is completely decapitalizing the economy.

"The great number of private firms that we were able to consult with indicated that there are two basic forms of decapitalization. The first and most important is noninvestment in spite of the surpluses it generates. And if this were not enough, after robbing the public through loans made to banks, they indulge in the luxury of decapitalizing their companies either through over billing or by exchanging local currency for dollars, which they send to Miami, probably to arm the counterrevolutionary groups there or on our northern border."

## We Cannot Continue on the Defensive

Continuing this idea in his speech, Jimenez said that his patience has been exhausted.

"We are of the opinion that we workers cannot continue on the defensive, because the future of the revolution is upon our shoulders and we must go on the offensive immediately in a clear-cut struggle, not against any one group or against one or two bourgeois managers or against one or two entrepreneurs; but to go on the immediate offensive by hitting hard the bourgeoisie as a class."

### FSLN Support

Companero Agustin Lara, member of the CDD [expansion unknown] of the FSLN in Managua, who expressed the support of the Sandinist Front for the workers' position also spoke.

He said the enemy employs weapons of various types in Nicaragua.

Companero Lara said:

"Things are not going too well and the enemy is conspiring, arming, sharpening its tongue, and the communications media broadcast ever more furiously and systematically their slanderous and lying messages that seek to distort reality and sell an image abroad.

"We have witnessed innumerable charges made by the unions and attempts to undermine the revolution. On many occasions we have seen unions present piles of evidence showing that in their plants they are being manipulated with "flattery" by the company, that old articles are bought that are good for nothing."

Finally, Companero Lara said:

"We have had to say: Companeros, let us be patient, let us turn this around, let us gather evidence, but the truth of the matter is there is an obstacle, which consists of a legal judicial structure and the workers have sensed this. If only this were the only problem. There is, in addition, constant and systematic political action which seeks to divide the people. It consists of provocations against people's organizations, of disrespect for the laws of the people, and as a result has brought about enormous popular reaction which we are seeing now in fields and factories. And we can be sure that what we are witnessing here in this assembly and in the various districts of Managua and in the thousands of men who are joining the militia, we can be sure that we are witnessing a movement of our people, conscious that it will surely make this revolution move ahead."

9015

CSO: 3010/1581



## BRIEFS

HABEAS CORPUS FILED--Yesterday the Masaya appeals court appointed Dr Agustin Aviles Sediles executive judge [juez ejecutor] in connection with the writ of habeas corpus or of personal appearance that has been filed on behalf of defendant Adolfo Chamorro Cesar. Chamorro Cesar and several others were captured last week-end in Managua. Mrs Maria Luisa Rodriguez de Chamorro filed the writ through her legal adviser, Dr (Antonio Tijerino Medrano). The writ of habeas corpus is against Lenin Cerna, who is in charge of state security, and any other Interior Ministry authority. Chamorro Cesar has been mentioned in connection with the most recent conspiracy. [Text] [PA092345 Managua Radio Corporacion in Spanish 1200 GMT 9 Sep 81]

CSO: 3010/1836

## SALVADORAN PROBLEM SEEN AFFECTING ENTIRE AREA

PA101240 Panama City MATUTINO in Spanish 5 Sep 81 p 6A

[Article by Adolfo Benedetti: "Repercussions of a Conflict"]

[Text] In addition to dangerously threatening hemispheric peace, the diplomatic confrontation between Mexico and Venezuela regarding the Salvadoran conflict directly threatens the assistance plan for Central America and the Caribbean, a kind of mini-marshall plan at the regional level, because the countries involved in the conflict are essential parts of this program, together with the United States and Canada.

All of this creates serious questions as to the economic future of the area's countries, which were supposed to receive vital funds to recognize their fragile economies, to strengthen the most vulnerable points of their development plan and to help, at least partially, in meeting the most pressing needs that overwhelm their respective peoples, who are trapped in spiraling inflation and the scourge of violence.

This means that the Salvadoran problem goes beyond borders, thus becoming a source of unrest in the region and frustration for the peoples that live there. This regional unrest has become an unbearable chain reaction that may result in a true crisis, which may be hard to avoid if we do not heed logic and reason, which call for a peaceful and negotiated solution to end the unspeakable genocide that the Salvadorans are enduring.

Our country, which adhered to the mini-marshall plan as a praiseworthy initiative of its sponsors will also be affected if the plan fails because of the quarrels that have appeared in regard to the Central American drama which constitutes the most dangerous and bloody experience that has occurred in this part of this continent which has not been able to become stable due to the effects of the fratricide.

CSO: 3010/1834

## DUARTE SAYS SALVADORAN SITUATION 'IMPROVING'

PA181312 Panama City CIRCUITO RPC TELEVISION in Spanish 2300 GMT 17 Sep 81

[Interview with Salvadoran junta President Jose Napoleon Duarte by Justo Fidel Palacios on 17 September 1981; place not given--recorded]

[Excerpts] [Question] What is the present political climate in El Salvador?

[Answer] I think that the situation is improving everyday. It is enough to say that the large rally on 15 September is a demonstration of the Salvadoran people's will to seek a solution and to agree with the methods that we are following in the government to solve the problem through the political, and democratic way and not through violence.

[Question] A few months ago, on the occasion of the signing of the peace treaty between El Salvador and Honduras, we had a chance to talk to you. Back then, there was talk of a plan for the country's democratization and pacification. Now 8 or 9 months later, do you think that advances have been made in this regard?

[Answer] I think so. The advances are truly significant. You must recall that back then the crisis was complete and that the terrorist elements were staging an offensive which was planned for around 10 January. On that date they launched a military, political, insurrectional and international offensive. This offensive was defeated in every aspect and we have been gradually consolidating the country's internal situation, particularly the attitude of the Salvadoran people and the military belligerence of the leftist elements has been decreased. These elements have returned to the theory of terrorism and violence. Since they no longer receive the people's support, they are now causing problems for the people.

[Question] What is the position of the civilian sectors in reference to the military sectors? Some of the military sectors have been accused of assuming extremely repressive positions, which are interpreted by press dispatches as systematic in El Salvador.

[Answer] I think that sectors with vested interests have disseminated this interpretation throughout the world. Obviously, the idea is to isolate, divide and pit one sector of the government against the other. I think that the government in the country is made up of disciplined armed forces which are willing to seek a

political solution and that the civilian and military members of the government are working together on this. However, this does not mean that there have been no abuses of authority. This does not mean that there are not certain people who do not recognize or understand what we are doing and what is occurring. However, the people who are behaving this way are not those in power or those with influence. Those who deserve punishment are being punished according to the law.

[Question] Engineer Duarte, if we quote you when you said that the government issued a call to a dialogue to these leftist groups in El Salvador, how then do you justify the fact that the Franco-Mexican declaration--which recognized these same groups in the Salvadoran political struggle--was termed intervention in the domestic affairs of El Salvador?

[Answer] It is one thing for the Salvadoran people to decide their destiny and make their own decisions and another for foreign forces and nations to interfere in our internal problems. Consequently, this is the difference: The Franco-Mexican declaration is intervention. It is intervention for one simple reason: It places conditions on the situation. It even discusses the country's institutions. These countries called for a change in the armed forces, the destruction of the... [changes thought] and a change in the government as a basic condition. This is intervention. You cannot ask one country from another country to change its government. This is intervention in any language. The country and the citizens can ask their government for a change in the nation's internal condition. It is their free and sovereign expression. Therefore, we cannot confuse the internal position of a nation with the intervention of another nation.

[Question] Has this been a topic in the conversation with President Aristides Royo?

[Answer] No, I basically devoted myself to explaining our position concerning the 15 September speech in which we established our theory and political position. President Royo listened carefully and of course, he will draw his own conclusions. I will not try to interpret his feelings. I am too respectful of the position of others and in this regard, my duty was to bring Royo a message so that he would learn about it personally so that he would not have to get news on what we think, what we want and where we are going, indirectly.

CSO: 3010/1852

## TIMING OF WALTERS VISIT TERMED 'INOPPORTUNE'

PA162234 Panama City LA PRENSA in Spanish 15 Sep 81 p 8A

[Article by Gloria Guardia: "A Visit, A Political Mistake"--passages in slantlines published in boldface]

[Text] The recent visit by (retired) Lt Gen Vernon A. Walters, special envoy of the U.S. State Department, has undoubtedly had consequences. At a glance, the first thing observed, even by those without keen eyesight, was the high priority and lengthy meeting that Walters held, not with the president of the republic, as established by protocol when he carries out the duties of chief of state, but with Col Florencio Florez, commander in chief of the National Guard. Neither should it be overlooked that during the meeting, held in the National Guard headquarters, Colonel Florez was accompanied by Lt Col Manuel Antonio Noriega (G-2) of the general staff, who also escorted Walters during a visit that he made to the Presidential Palace several hours later.

The important thing here is to stress that this confirms recent reports by correspondents of THE NEW YORK TIMES and THE WASHINGTON POST, known spokesmen of the State Department and the Pentagon respectively, who said that after the unexpected death of Torrijos Herrera, the Reagan administration seems to be inclined to recognize the general staff of the National Guard as a collective leadership capable of leading, without any weakness, the state of this strategic nation of the Central Isthmus. And, as a result--also reflecting the conservative policy governing Washington--the figure of Dr Royo Sanchez has become further displaced within this area, to the point where he is described in the U.S. Capital as "merely a figurehead" or as "an inefficient puppet" of the vested interests of a class that has been allowed to cling to power (for reasons nobody ignores) for 13 years and to enjoy the barefaced privileges inherent in that power.

Now: If it is true--as appearances and testimonies seem to indicate--that Alexander Haig, leader of U.S. foreign policy, has been dodging the opportunity to recognize and stress the fact that it should be civilian authority that guides the destiny of this country of the Central Isthmus, then analysts Fay Willey, John Walcott and Beth Nissen of NEWSWEEK are right in saying that the U.S. position in Central America has already been "destroyed." This is so. Very little or nothing can be expected from those who offer, due to shortsightedness or because they forget history, unrestricted support for what ranges from a Caudillo-type government to an autocracy, and then regresses to an even more primitive phase: military dictatorship.



Perhaps it is better to explain that the line of our arguments /does not derive/ from support for the illegitimate autocracy that has been in effect in this country since 1978. No. We simply believe that in order to reach a representative democracy of /complete/ participation, which most of us seek, we must--as stated by Gino Germani, the political expert--respect the rights and functions of the civilian authority, in order to pass through the two necessary stages of political evolution: Representative democracy with limited participation and representative democracy with ample participation.

The powers of the East and West--and this has been thoroughly confirmed in Central America and Panama--seem to be accustomed to seeing that this region is exclusively ruled by a vicious circle that goes from a Caudillo-type government, through autocracy and a crisis of succession to, finally, a military dictatorship.

Unfortunately, the transfer from regimes without public liberties to a representative democracy with full participation is difficult. In addition, democracy must be made by those who have a democratic structure, discipline and intention. For this reason, one gets shocked, if not irritated, when those who call themselves defenders of the most advanced forms of government give indefensible support to the Somozas, Trujillos, Torrijos, etc., and then do not understand how this Caudillo-type of government, supported by the most repressive cadres of the army, generates widespread social discontent and a process of deterioration that results in interference by Cuban-Soviet totalitarianism.

The moment chosen by special envoy Vernon A. Walters to demonstrate his scale of political priorities has been--to say the least--not too opportune. If a political, rather than military, solution is being sought for the Central American conflict, the first thing that must be strengthened and consolidated is the party system in Panama and throughout Central America, and this can only be accomplished through a civilian government structure. It must be understood that we, the civilians, must concentrate on strengthening our political organizations, in order to gradually achieve a system of parties with similar goals that work well together and contribute to the creation of a climate of free and democratic coexistence.

Edmund Burke, an English pragmatist, wrote about the way of thinking that promotes "the groups of intrigue" and supports their implementation in the most coercive cadres of the armed forces: "They are groups of men that have gathered, openly, without any common public principles, in order to sell their joint concern at the highest price...these are groups that should never be allowed control in a state, for they are useless as tools of a popular government because they have no relation with the feelings and opinions of the people."

What Burke said is unfortunate but historically correct.

CSO: 3010/1835



## U.S. DISTRICT ATTORNEY ACCUSED OF VIOLATING SOVEREIGNTY

PA160437 Panama City LE PRENSA in Spanish 15 Sep 81 p 1-A

[Article by Emerson Moreno]

[Text] Renato Pereira [secretary general of the Popular Broad Front] yesterday confirmed to LA PRENSA that he is the custodian of \$2 million involved in the "Raulerson" case. At the same time, he questioned the actions of U.S. District Attorney [Fiscal] Sam Smargon, whom he accused of violating the sovereignty of Panamanian law by attempting, on behalf of the U.S. Government, to prevent the transfer of the money within the sovereign territory of the Republic of Panama.

Pereira said that Smargon, by his action, is threatening Panama's stability as an international banking center, because he is not only attempting to disregard the free movement of capital and privacy but is also scaring off international depositors.

Although Smargon maintains that the U.S. Government contracted a Panamanian lawyer, in this case Eduardo Ferrer, to make sure that the money would not be transferred by judicial or any other action, Pereira said that no Panamanian court has any record of an attachment by the U.S. Government.

Referring to the position of [Panama's Attorney General Olmedo] Miranda, Pereira said Miranda could not consider himself to be a state department employee to the extent of accepting attachment proceedings that do not meet the terms of Panamanian law, which requires presentation of a bond in a property attachment suit, just in case the suit should turn out to be without foundation.

Pereira said in closing that he believes the return of the \$7 million belonging to the Jim Jones People's Temple (of the Guyana massacre) violated Panamanian law, because the money was turned over without a ruling of any kind by Panamanian courts.

CSO: 3010/1835

## ROYO TO CITE TREATY VIOLATIONS IN UN SPEECH

PA211618 Panama City LA REPUBLICA in Spanish 20 Sep 81 p 4-A

[Editorial: "A Call to Unity"]

[Text] President Aristides Royo will soon be going to the United Nations. He will take advantage of the UN General Assembly sessions to speak to the UN members and to the world about the problems of our country, the Central American area, the Caribbean and the world in general. According to reports, in his message to the world, the Panamanian president will expose the conflict that has arisen with the United States in connection with noncompliance with the Torrijos-Carter treaties and especially with the Panama Canal treaty.

President Royo will be speaking about these problems as the second anniversary of the implementation of the Torrijos-Carter treaties nears. These past 2 years have been very disappointing for the Panamanian people because interpretations of the canal treaty by the other side have twisted the letter and spirit of what was agreed on. These have been unilateral and capricious interpretations based on the 96-70 law or the Murphy Law, which was conceived and approved for the specific purpose of denying Panama the legitimate rights it secured with the treaties.

The violations to the Panama Canal treaty have been denounced almost daily during the past 2 years by both the national government and the persons directly affected by the violations, in this case, the Panamanians who work in the canal area for the Canal Commission and the U.S. Armed Forces in Panama. So far, however, the United States has not changed its attitude.

President Royo will also analyze Panama's foreign policy, a policy that is in line with Latin American interests and with the thinking of Simon Bolivar, the liberator, and of Americans such as Juarez, Marti and Omar Torrijos.

There, in that world forum, the president of Panama will make "a small country with the voice of a giant" heard and the Panamanian truth, the truth of the Central American people--especially--the truth of the nations suffering the horror of bloody internal conflicts, of nations that do not find the way to satisfy the true aspirations of their people, will be heard.

The mission of President Aristides Royo to the United Nations represents the desire of Panama and the Panamanian people to have the United Nations seek a peaceful and just way to solve the conflicts that disturb the Central American area. The objective is also to have the world receive a truthful message on what is happening due to the interpretation of the Torrijos-Carter treaties, which have not been correctly implemented, thus seriously harming our economy, our workers and our national dignity.

This is why an appeal is being made to give President Royo national backing for his mission in the United Nations. This backing should be equal to that chiefs of state have always been given whenever they are defending the interests of the country, sovereignty and respect for our honor as a nation. The world must know that when President Royo speaks at the United Nations, he will be speaking on behalf of all the Panamanian people, of a monolithically united people who at moments such as this, set aside divisions to achieve national unity and defend our legitimate rights.

CSO: 3010/1802

## UNITED STATES URGED TO REPEAL 'SO-CALLED' MURPHY LAW

PA211535 Panama City LA ESTRELLA DE PANAMA in Spanish 20 Sep 81 p 4-A

[Editorial: "The So-Called Murphy Law"]

[Text] It is well known that in multilateral treaties; that is treaties among three or more states, the parties may express reservations, either at the time of the signing, at the time of ratification, or at the moment of depositions the instrument of ratification. These reservations, which can refer to one or more articles of sections of the treaty or even to a portion of one article--unless such reservations have been declared inadmissible in the original text--produce diverse effects, both with respect to the state making them and to the other participating states, whether such states accept or reject the reservations. However, as is obvious, in bilateral treaties; that is, treaties signed by only two states, as is the case of the Torrijos-Carter treaty, neither party can formulate reservations to the agreed text or alter it in the slightest way. It is accepted or not accepted and, once the negotiating phase is over, there is nothing more to discuss or change, otherwise one would be faced with a different text that would have to be subjected to new negotiations.

It is true that the United States did not express reservations to the aforementioned treaty since it could not do so legally. However, it adopted a law called the Murphy Law, which we consider to be a "law of the funnel," one that is wide for the United States and narrow for us, thus permitting the United States to apply the provisions of the treaty however it sees fit. This is not legal, much less ethical, and has already caused controversy and friction that do nothing to promote the atmosphere of cordiality and mutual understanding that should prevail between the two countries.

The United States has the ineludible moral duty to revoke the Murphy Law, or at least to modify it substantially, eliminating the stumbling blocks that hinder the correct and harmonious interpretation and application of the existing treaties. This should be done, not only to duly ensure the normal development of our relations for the defense and protection of mutual interests, but also to safeguard the international prestige of the United States itself. That country cannot continue to proclaim itself to be the ardent defender of democracy, human rights, the freedom and independence of nations, the equality of all states under the law and the rules of international law, while digging in its heels with regard to an obviously unjust law that places our country in a position that is not in line with those rules.

As President Aristides Royo, an eminent jurist, announced during a recent news conference, he will soon address the UN General Assembly to outline, with his customary clarity and brilliance, what our country feels and thinks about this problem, as well as about matters that affect the two peoples, matters to which we cannot be indifferent.

## GOVERNMENT CHIDED FOR COMPLACENCY TO CRITICISM

PA141903 Panama City MATUTINO in Spanish 10 Sep 81 p 4-A

[Column by Luis Restrepo Rosas: "Paralyzed Defense"]

[Excerpts] The offensive of those who joined the opposition against the national government is becoming more aggressive and extensive every day. Those who attack the government's work have become aware that the government or its human components are paralyzed. Inexplicably they do not intelligently or vigorously defend the government's projects. One might think that fifth columnists from the antigovernment forces have infiltrated the administration. They have had tremendous success in effectively squelching the defensive capacity of the government's team at every level, especially at the summit of civilian power, where the watchwords are to stop any attempt to reply in kind to the continuous offensives.

The watchword is to give in, withdraw and leave the field to the others. The bill to establish the family institute is typical of this defensive government paralysis. The people's power received the support of many of the country's progressive sectors which attempted to continue debating the project. Now it has been learned that the people's power has disappointed its defenders by abandoning the trenches to its detractors. In withdrawing the bill it offered reasons which are nothing more than a clear demonstration of political weakness.

The Panamanian Construction Chamber [CAPAC] is opposed to the Cerro Colorado copper mine project on grounds of protecting the environment in the area of the copper deposit. No one in the government has dared ask the CAPAC what its members think of the contamination of the Curundu River, the Matasnillo River, the stagnant waters of Samaria, the contamination of Chilibre's drinking water...and what they can and must do to solve these ecological problems.

CSO: 3010/1835



## PRD REORGANIZATION TO END IN DECEMBER

PA111504 Panama City Televisora Nacional in Spanish 2245 GMT 10 Sep 81

[Interview with Gerardo Gonzalez, secretary general of the Democratic Revolutionary Party, at breakfast meeting hosted by Panamanian President Torryo at the Soloy Hotel on 10 September--recorded]

[Excerpts] [Question] What type of restructuring or reorganization are you promoting within the Democratic Revolutionary Party [PRD] now that the party's foremost figure is dead and given that, before him, another equally valuable figure, Ascanio Villalaz, also died?

[Gonzalez] Ascanio died 3 months after we had initiated the campaign to reorganize our party. After Ascanio's death, the PRD political committee designated this 1981 organizational effort as the Ascanio Villalaz organizational period. During this period, which will end on 16 December, we installed cadres in virtually all of the provinces, districts and corregimientos.

There are corregimientos that have reached the convention stage; that is, they have established the rank-and-file cadres. The last phase of this organizational period will take place here in the capital and in the Colon Province. We began this organizational effort in the most remote places, in order to come in toward the city and to be finished by December of this year.

We will be ready to hold the second PRD congress--a congress of approximately 6,200 delegates elected democratically by the rank-and-file cadres already organized in our party--on 13 February, to mark General Torrijos' birthday.

On 11 October, after the sessions of the assembly of corregimiento representatives are opened, we will hold a vast rally in which the president, of course, will speak, as will our leaders, to relay the message of unity, confidence and trust that the nation needs at this crucial moment of our history. Some may think, especially outside the country, that with Torrijos gone, Panama has lost stature. The fact is that Panama gained stature because of Torrijos, and his thoughts will prevail as long as there are Panamanians like those of the current generation, who understood him and shared so many struggles and hopes with him.

CSO: 3010/1835



## PRD SCHISM ACCENTUATED AFTER TORRIJOS' DEATH

PA142339 Panama City LA PRENSA in Spanish 13 Sep 81 p 1 A

[Article by Emerson Moreno]

[Text] A scoop obtained by LA PRENSA indicates that some branches in the interior are rebelling against the leadership of the Democratic Revolutionary Party (PRD).

In the province of Los Santos, the PRD directorate has declared a political strike, believing that both the executive as well as the foremost party officers have shown total disregard for their true militants, while elements alien to the party are considered for important posts within the government.

This attitude seems to have become accentuated with General Torrijos' death.

The displeasure and attitude of the Santeno PRD members will be the topic of thorough consideration on the part of the central province leaders in a joint meeting which may be held soon, the report indicates.

The grass roots rebellion has come to the immediate attention of the top levels of this political organization. At this moment they are working arduously so that the crisis--a product of the discontent expressed by prominent figures of the ruling party--will not become known by its supporters, the opposition parties and citizenry in general.

The PRD leaders of the provinces of Veraguas, Cocle and Herrera have been summoned to the meeting planned by the rebels of Los Santos in an invitation sent by the provincial directorate of Los Santos.

It has been commented that other provincial directorates are opposed to the policy outlined by the foremost leadership, which they describe as arrogant, ignoring the rights of the true militants of the party.

Another of the complaints made by the PRD rebels is the manner in which the executive ignores the true leaders of the party in decision-making, imposing on them persons who, although they are part of the government team, are the ones less called upon due to their lack of true militancy within the PRD.

As an example of their complaints they note the relegating of functions to a secondary level by the ranking party leadership in the organization of a political activities scheduled for this coming 11 October. A commission selected by the executive within his cabinet will be in reality responsible for organizing the event. According to reports, once again the party is left out of the organization of important activities of the so-called process.

CSO: 3010/1834

## PRD URGES MEMBERS TO UNITY, MILITANCY

PA031841 Panama City CRITICA in Spanish 31 Aug 81 p 7

[Message issued by the National Directorate of the Democratic Revolutionary Party on 31 August 1981]

[Excerpts] This party is made up of all of us who believe in Omar [Gen Omar Torrijos] and are willing to pick up his flag. For this reason, the Democratic Revolutionary Party, PRD, must comprise all the Torrijos followers in every community in the country. They must discuss and agree on what we are going to do and achieve together.

This is what the PRD means: the participation of all to meet new revolutionary goals. These are goals of national development and independence with social peace and security, work and progress with opportunities and justice for all. These goals include land and production for the peasants, jobs and better salaries for workers, support for new creative initiatives of the businessmen, schools and improvement for youths, full dignity for women and tranquillity for the old and the underprivileged.

This revolutionary process inspired by Omar Torrijos democratized the distribution of lands with agrarian reform, democratized the opportunities of education and health by making them accessible to everybody and democratized communications, housing and electricity by spreading them throughout the nation. He rescued the territorial integrity of our nation and its effective sovereignty over its natural resources. He democratized development, giving the communities and all the social sectors representation and participation.

For this reason, we will double our militancy in the ranks of this party because we must defend and boost these gains in order to consolidate and continue them.

We will defend the people's power with this militancy by activating local and community boards in each corner of the fatherland, because they are the groundwork of our democracy. We will activate the policy of consultation and participation with every sector in order to expand in every way the people-government team and to solve our own problems. We will defend unity and cooperation among the people, the organizations and the National Guard, which is committed with our people to implementing the Torrijos idea.

We will carry the flag and will move forward with it by supporting the government of President Royo with new initiatives to solve the problems of the people, advance in the country's development and defend Panamanian sovereignty by demanding full compliance with the Torrijos-Carter treaties and their decolonization program. Consequently, the party urges all its members to remain united, strengthen our internal discipline and speed up the process to organize the PRD rank and file. It urges the people to make every productive effort to definitely overcome the country's economic difficulties and consolidate the independence of our fatherland.

[Signed] Gerardo Gonzalez V., secretary general for the PRD National Directorate

CSO: 3010/1835

## FEP LEADER ON STATUS OF PRISONERS IN COLOMBIA

PA161418 Panama City LA PRENSA in Spanish 15 Sep 81 p 1-A

[Article by Jose Quintero de Leon]

[Text] In an exclusive interview with LA PRENSA, Mario Panther, secretary general of the Federation of Panamanian Students [FEP], complained that "it is an irresponsible attitude to tell the citizenry that the five Panamanians arrested in Colombia are well when that it not true."

Panther said that the efforts to reach a bilateral treaty for the exchange of prisoners with Colombia are at a standstill because of the pre-electoral period in that country. Notwithstanding, the Panamanian Foreign Ministry states that negotiations are underway.

He noted that relatives of the five Panamanian students visited them in their respective prisons and that the relatives were again harassed by Colombian military officers who subjected them to a harsh treatment before they were allowed to visit.

"We have not been able to get the Colombian Government to guarantee their physical and psychological security," Panther said. He added that this is because of a deterioration in the internal situation of that country.

In referring to the legal procedures initiated to solve the situation of the five prisoners, Panther noted that some of the lawyers for the former members of the 19 April movement had been arrested and even tortured but that the most serious thing is the disappearance of Dr Carlos Pantoja, who coordinated the defense of the five Panamanians during their trial.

This means that there is no guarantee for the legal procedures, Panther said. He noted that the FEP will give special consideration to this topic during its upcoming national congress during which the FEP will ask President Royo to guarantee the security of the five prisoners. The FEP will also request that a Panamanian lawyer go to Colombia to confirm that the legal procedures are being carried out.

However, the FEP leader stated that solution continues to be political and that it will be found to the extent that the Panamanian Government intercedes before the Colombian Government and army on behalf of the prisoners because the statements about their alleged well-being are false.

In this regard, deputy Foreign Minister Jose Maria Cabrera told this newspaper that the Panamanian proposal to the Colombian Government regarding the exchange of prisoners calls for a serious and calm study and that the study is only in the first stage preliminary to then beginning consultations which will finally result in the negotiations.

CSO: 3010/1835

WORKERS SEIZE SUPREME COURT BUILDING ON WAGE ISSUE

PA182030 Panama City TELEVISORA NACIONAL in Spanish 2245 GMT 16 Sep 81

[Text] The single national union of construction workers and workers in related trades today occupied the Supreme Court justice building to protest the approval of a resolution that voids a government decree giving wage increases to construction workers.

The workers occupied the court's offices, closed the doors and would not let court officials or judges leave the offices.

Eduardo Rios, the union's secretary general, was not received by Gonzalo Rodriguez Marquez, president of the Supreme Court, who said that he maintains his legal stand and this stand cannot change.

The magistrate would not receive the news media, noting that he had said everything that he had to say. After the demonstration, the workers left the court offices and remained outside the court house.

Justice Rodriguez said that the action was a kidnapping, an action punishable by law. Rios spoke with TELEVISORA NACIONAL:

[Begin recording] [Question] Rios, could you tell us about the reasons for your action of today at the Supreme Court?

[Answer] Let's explain that. We had planned a protest at the Supreme Court first, because the court has granted a habeas corpus that should not have been granted at all. This statement is backed by the votes of the three justices. We also had planned to protest because we were aware that concealed maneuvers were taking place. We had specific information that money was being used to secure a ruling against us. The court should not make such rulings because they violate the law and the constitution. [end recording]

CSO: 3010/1852



## PAREDES DISCUSSES CERRO COLORADO ISSUE

## Interview with Paredes

PA111354 Panama City TELEVISORA NACIONAL in Spanish 2245 GMT 10 Sep 81

[Interview with Lt Col Ruben Dario Paredes, chief of staff of the Panamanian National Guard, by station correspondent Luz Maria Noli on the Cerro Colorado copper mine issue; place not given--recorded]

[Excerpts] Following a 5-hour meeting with the Indian communities close to the Cerro Colorado project, Lt Col Ruben Dario Paredes told this station that the National Guard will retreat a little on the Cerro Colorado topic so that its presence on the high-level commission studying the feasibility of the copper mine project will not be misinterpreted.

[Question] When you first became involved in this project, it was because of the arguments of the committee for the defense of Chiriqui, which is in complete disagreement with this project. What is your opinion of these gentlemen's statements?

[Paredes] When I heard them at the general command office, with the entire general staff present, I was very concerned. I think their claims are truly honest. They are not people who just now started to worry; they have been worried about it for a long time. I have known some of them personally for more than 5 years. They are truly concerned about the ecology. They are also farmers and producers. However, it would be good if they would accept a scientific debate with experts, whom we are requesting from the United Nations, the World Bank, Who and Aid. These are experts who are very familiar with the issue of the contamination of the environment in this kind of project.

[Question] The political parties met in David about 2 weeks ago and spent an entire day discussing the Cerro Colorado project. What did you think of this meeting of political leaders?

[Answer] I followed the meeting on a station that carried it live and I felt it consisted of two stages, an informative stage and a question and answer period. When the question and answer period came, to clarify any doubts these political leaders had, I was surprised to hear that there are no questions about what had been explained. They took the path that must be taken by any politician, particularly if he opposes the government--they merely made political statements.

Politicians in the opposition have to do that and one shouldn't be bothered by it. The important thing is for the government to understand this situation and to cope with it by using truth and serious argument to convince the citizens, the community, the common man, the Indian, the worker, the professional and the politician himself.

[Question] On five or six different occasions you've met with people to discuss the Cerro Colorado project. You have represented the National Guard General Staff on this. What are the conclusions of the high-level commission to which you belong?

[Answer] No definite conclusions have yet been reached. I can tell you that we have held five meetings. They were very professional, thorough and serious. The commission members thoroughly analyzed the issue. We made a summary of all questions put by the country's various sectors, as if we were undertaking an examination. We have received some categorical answers, while others contain certain doubts. I feel that the commission views the project as one that must continue to be considered as possible. However, the commission warns that we must be careful, that no hasty decisions should be made and that further analysis is needed, especially in terms of the economic aspect.

[Question] What is the opinion of the general staff? What is its consensus?

[Answer] The general staff feels thus far that the topic must become more familiar to the people, organizations, civic entities, professionals and peasants and that everyone should express his opinion.

[Question] It seems that Cerro Colorado is no longer a technical issue but a strictly political one. What criteria do you think will prevail in the decision on this project?

[Answer] One of the Indians explained this today in his own way, but it was perfectly understood. Further, that great Panamanian who died, General Torrijos, once said: When the facts are at hand, this project must be decided upon with the attitude of a statesman and not with that of a politician. Torrijos' philosophy was and still is valid. He meant that if this project is good for the people and it can be proven that it will create wealth, jobs, better education and more resources to boost other sectors of the country's economy that need development, then the decision on it should not be linked to the possibility of winning or losing the elections. If it is good it must be developed, so that the people can enjoy its fruits. After all, the Panamanians are the ones who will take advantage of it, regardless of who is in power at the time. This was Torrijos' philosophy and I share it. I don't know what the others think.

#### Discussion with Indians

PA141851 Panama City LA REPUBLICA in Spanish 13 Sep 81 pp 1-A, 2-B

[Speech by Lt Col Ruben Dario Paredes, chief of the general staff of the Panama National Guard, before the Guaymí Indian community of Cuernavaca, Hato Chami Corregimiento; date not given]

[Excerpts] "After listening to you and taking into consideration who you are-- Indians, mostly Guaymi Indians--I can tell you that you are not the same Indians we knew in 1968."

"There has been a change. There has been evolution. There has been advance, an improvement and that, gentlemen, is due to the revolutionary process which the Panamanian people have supported in various ways.

"It is important that we have begun the information campaign on the gigantic 'Santa Ana project' right here in the very heart of Cerro Colorado. When this project begins to generate wealth, when it begins to promote and stimulate the national economy, when it begins to provide education, food, housing, health, if it is approved; when it has been discussed sufficiently, not just here in the Guaymi community, but in David, in Boquete, in Cerro Punta, in Puerto Armuelles, in Remedios, in Santiago, in Ola, in Penonome, in Aguadulce, in Chitre, in Las Tablas, in Bocas del Toro, in Almirante, in Colon, in San Blas, in Coclesito and everywhere else in the country; when it is converted into real wealth, there is a group of Panamanians who agree that it is you, the Guaymi Indians, who will be the first to benefit from this project."

"I can understand the questions and concerns you have on what benefits this project will bring for the Guaymi race or population. This means that it has to be guaranteed today; it has to be guaranteed starting now."

"Many things will also be new to you here, even if we take the greatest precautions which science can provide in the world today. The Indians in this region will experience some change, at least the push of development. Even when it is beneficial it has consequences for human beings."

"I repeat: If the project is approved, because it has not been approved yet, we must not disregard its impact on the Indian. The Indian is ahead of anything else. He has priority. All else being equal, the Indian must have first priority. The Guaymi Indian must have priority because he has been living on the reservation for hundreds of years."

"I do not know the status of the negotiations for the reservation. From what I have heard, even from the chiefs, there are not only good intentions that the reservation be granted and become law of the country, but this process is well advanced. One of the youths who spoke earlier said it. I promise to speak to the president and with the government and justice minister so that priority will be given to the reservation. It is true that the 'Santa Ana project' and the reserve should move together; however, the reservation should win out over the project. You must maintain the position that the reservation comes first and the project second, even if only by a nose."

"You must avail yourselves of the advantages of the modernage and the future while maintaining your traditions and customs and always being dignified Indians and good Panamanians. However, if you do not study or your children do not study, for which we are always constructing more schools closer to you, when we are no longer here bad Panamanians will return. Hopefully there will be few left but some will remain and they will try to abuse you. They will again try

to beat you like animals. Therefore, as long as we have this opportunity and as long as we have this respect for the humble and poor man who is still very needy you must avail yourself of this moment to educate your children."

"Finally, I wish to tell you that we should hold four or five more meetings. I don't know how many we need. We have to visit every large Guaymi community and hold an assembly with all the chiefs, all the leaders and the common Indian, as well as the Indian women and the young people in Cerro Colorado so that the Cerro Colorado project can be explained to them. You have to make your concerns and comments known."

CSO: 3010/1834

## BANANA LABOR UNION REVEALS ANTIGOVERNMENT PLOT

PA070350 Panama City CRITICA in Spanish 31 Aug 81 p 2

[Text] The National Federation of Panamanian Workers [CNTP] has revealed the existence of a "plot" against the revolutionary process and the national government, and has appealed to all forces involved in the defense of the legitimate rights of the people. The CNTP issued a national communique protesting "the arrogance of the Chiriqui Land Company which provoked the recent banana strike." The CNTP also emphasizes that "some independent producers are seeking shelter under the shadow of the United Fruit Company and are plotting in Bocas Del Toro against legitimate organizations."

"The CNTP document is signed by Ruben D. Caceres and Angel Gonzalez, defense and organization secretaries, respectively, and members of the executive. The document says that besides these violations, these independent producers have retained union fees taken from the workers' salaries, used trusted personnel and needy poor workers to unleash a number of provocations and used them as shock troops against the regular workers, (perhaps) with the intention of provoking a clash with the national guard and thereby breaking the 'people, government, national guard union.' This union has been expressed by the high command in the continuation of the line established by Omar Torrijos Herrera."

The CNTP also says that those who stridently oppose the correct exploitation of 'Cerro Colorado' copper mine, are the same ones who support the more reactionary sectors of the United Fruit Company and the antilabor union independent sectors.

At the end of their accusations the CNTP expresses its opposition to: "The oligarchic-imperialist plot against all the Torrijist people."

CSO: 3010/1834



## BRIEFS

**STUDENT VIOLENCE CAUSES**--The endemic violence affecting public education is not, as some pretend, the result of incomprehensible student rebelliousness; it is the natural result of so many years of irresponsible political manipulation, institutional distortion and perversion of civic values. We all recall the speech on television in which [former presidential adviser and former canal treaty negotiator] Romulo Escobar Bethancourt justified FEP [Federation of Panamanian Students] violence. No one is unaware that many generously financed student groups are sent out on the streets whenever it suits the interests of the "process." The slander and insults with which the government, its newspapers and even Education Ministry officials sought to tarnish the honor and undermine the authority of the teachers and professors who rejected the educational reform are still fresh. Meanwhile, the glorification of the national guard's institutionalized violence against public life teaches our youth that force lies above talent and that opportunism is superior to civic values. The students, victims of a system that has destroyed all values without being able to create others to replace them, rebel for any reason against everything, rediscovering that sterile violence that made European anarchism so sadly renowned 80 years ago. The problem, however, will not be solved through the education minister's solution of force. Power must strengthen authority, but it can never replace it. And this is precisely what our rulers lack: authority. [Text] [PA082322 Panama City LA PRENSA in Spanish 6 Sep 81 p 1 A]

**ATTORNEY GENERAL INNOCENT**--The Judiciary Commission of the National Assembly of Corregimiento Representatives has ordered the closing of the investigation being conducted against Attorney General Olmedo Miranda regarding a bribery charge stemming from a drug trafficking case. The special commission, after carefully studying testimony, ordered the case closed because "there are no grounds to proceed" against the attorney general. He can only be arraigned by the plenum of the National Assembly of Corregimientos Representatives, according to article of the 1972 constitution. The representatives had been investigating the attorney general regarding an alleged \$100,000 bribe. The case, which originated in U.S. courts, is known as the Donald Raulerson case. Raulerson is a drug trafficker against whom the court had ruled the freezing of \$2 million which finally were returned to him. The ruling by the assembly judiciary commission closes the case against Olmedo Miranda. It was also reported that the testimony of witnesses does not establish any guilt on the part of Panama City Municipal Mayor Roberto Velasquez. [Text] [PA182008 Panama City MATUTINO in Spanish 18 Sep 81 pp 1A, 8A]



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